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OFFICE OF NATIONAL RECOVERY ADMINISTRATION

DIVISION OF REVIEW

THE CONTENT OF NIRA ADMINISTRATIVE LEGISLATION

PART F: A TYPE CASE: THE COTTON TEXTILE CODE

By

Ruth Aull

WORK MATERIALS NO. 35

Work Materials No. 35 falls into the following parts:

Part A: Executive and Administrative Orders
Part B: Labor Provisions in the Codes
Part C: Trade Practice Provisions in the Codes
Part D: Administrative Provisions in the Codes
Part E: Agreements Under Sections 4(a) and 7(b)
Part F: A Type Case: The Cotton Textile Code

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Special Studies Section

February, 1936

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F O R E W O R D

The object of this study is to set forth in convevenient form the su bstantive content of administrative legislation under the authority of Title I of the National Industrial Recovery Act as found in the orders, codes and agreements. Part A, prepared by Ruth Aull, is concerned with Executive and Administrative Orders and, in some cases, Office Orders and Memoranda, legislative in nature; Part B, prepared by Ruth Reticker, with the labor provisions in the codes; Part C, prepared by Daniel S. Gerig, Jr. and Beatrice Strasburger, with the trade practice provisions in the codes; Part D, prepared by C. W. Putnam, with the administrative provisions in the codes; Part E, prepared by Ruth Aull, with the provisions of agreements under Sections 4 (a) and 7 (b); and Part F, prepared by Ruth Aull, with a type case: the Cotton Textile Code. The work under the general charge of G C. Gamble, Coordinator of the Special Studies Section.

Title I of the National Industrial Recovery Act delegated to the President unpreceden ted powers with respect to regulation of industry and trade. The theory of the Act was that through the sponsorship of codes by trade or industrial associations or groups, and through voluntary agreemen ts, such regulation would be cooperative with industry and trade.

By Section 2 (b) of the Act the President was authorized to delegate any of his functions and powers to such officers, agents, and employees as he might designate or appoint. This power of delegation was widely exercised and through the administrative activities of the National Recovery Administration, established by the President under Section 2 (a) of the Act, 557 so-called industry or trade codes and 188 codes supplementary to the basic codes came into being. These codes were approved under the authority of Section 3 (a) of the Act. In addition a smaller but none-the-less considerable number of agreements was entered into under Sections 4 (a) and 7 (b) exclusive of the President's Reemployment Agreement, based on Section 4 (a), which was "accepted" by more than 2,000,000 employers. The codes were to be as binding as any Act of the Congress, and the code-making administrative processes under the Act May aptly be described as sub-legislative..

The Supreme Court in its decision on the Schecter case, which terminated the existence of the codes, referred to the legislative aspects of the code-making process in saying:

> "It (the statu tory plan) involves the coercive exercise of the law-making power. The codes of fair competition which the statute attempts to authorize are codes of laws. If valid, they place all persons within their reach under the obligation of positive law, binding equally those who assen t and those who do not assent."

The agreements entered into under the Act, at least with respect to the administrative steps leading to approval, were less clearly legislative, but the agreements under both Sections 4 (a) and 7 (b) constituted, to the extent they were used, the detailed and substantive

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expression of the legislative intent. Furthermore, the position taken by the National Recovery Administration that the phrase "same effect as a code of fair competition" used in Section 7 (b) referred to the fact that the agreement when approved should carry the penalty provisions of the Act, would, if sustained, give such agreements legislative aspects identical with those of the codes.

In the administration of the National Industrial Recovery Act many orders were issued which affected the actions or interests of persons not connected with the National Recovery Administration or affected the provisions of codes The Executive Orders issued by the President and the Administrative Orders issued by the Administrator for Industrial Recovery or in the name of the National Industrial Recovery Board bearing on the administration of Title I of the Act were, with a few exceptions, issued under the authority of the Act itself or under the delegation of power permitted by Section 2 (b). A substantial percentage of such orders, through the nature of their provisions, were legislative. Within the National Recovery Administration Office Orders or Office Memoranda were issued primarily as instructions to or for the guidance of the personnel of the organization or for the purpose of establishing parts of the organization. Some of these orders nevertheless contained provisions or requirements which directly affected code provisions or indicated requirements upon members of industry and in their scope seemingly may be called legislative in nature.

It will be observed that the provisions of the National Industrial Recovery Act constituted a very small portion indeed of the great volume of administrative legislation under the Act. The substance of the administrative legislation is to be found in documents formulated from various types of administrative action.

The study is not concerned with evaluation of this administrative legislation; it is not concerned with evaluation of its consequences. Such issues are treated in other studies. This study is confined to a statement of the content of the NIRA administrative legislation.

At the back of this report a brief statement of the studies undertaken by the Division of Review will be found.

L. C. Marshall
Director, Division of Review

February 29, 1936

THE CONTENT OF NIRA ADMINISTRATIVE LEGISLATION

PART F -A TYPE CASE: THE COTTON TEXTILE CODE

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INTRODUCTION

This part of the study sets forth the changing substantive content of the Cotton Textile Code from the date of its original approval - July 9, 1933 - to May 27, 1935, when the Supreme Court's decision in the Schechter case suspended the operation of all codes In addition to describing the changes wrought in the code through the administrative processes of conditions in the order of approval, amendments, exemptions and stays, the effect of general Executive and Administrative Orders on specific sections of the code is also shown. Interpretations of provisions of the code are likewise included; however, explanations or interpretations issued by the code authority are not included inasmuch as they were not authorized by the code and therefore cannot be considered as part of NIRA administrative legislation.

The selection of the Cotton Textile Code to typify, in a sense, the changing of body of "laws" that constituted a code was not entirely fortuitous. This code was the first approved under the National Industrial Recovery Act and therefore its provisions had the force of established precedent in negotiations for subsequent codes; its administration necessitated the issuance of 137 orders under the code, hence it may be described as a fairly "active" code, although not the most active; furthermore, these orders included the various types of administrative action which are to be found in the administration of any code.

CHAPTER I

Summary of the Cotton Textile Code as Originally Approved.

The code for the Cotton Textile Industry, the first NRA code, as approved on July 9, 1933, may be summarized as follows:

Section I defined the industry to mean the manufacture of cotton yarn and/ or cotton woven fabrics, whether as a final process or as a part of a larger or further process. "Employees" was defined to mean all persons employed in the conduct of such operations and "productive machinery" to mean spinning spindles and/ or looms.

Section II provided a minimum wage of $12 per week in the South and $13 per week in the north except for learners during a six weeks' appreciceship and for cleaners and outside employees.

Section III provided for a 40-hour work week and a machine work week of two shifts of 40 hours each and excepted repair shop crews, engineers, electricians, firemen, office and supervisory staff, shipping, watching and outside crews, and cleaners.

Section IV abolished child labor (minors under 16).

Section V provided for periodical statistical reports from all members of the Cotton Textile Industry bearing on wages, hours, machinery data, production, stocks and orders.

Section VI set up as a continuing planning and fair practice agency the Cotton Textile Industry Committee, or such successor committee or committees as might thereafter be constituted, which agency was from time to time to make recommendations to the Administrator concerning further statistical reports and the keeping of uniform accounts, registration of productive machinery, changes in or exemptions from provisions of the code - such recommendations, when approved by the Administrator, were to have the same force and effect as any other provisions of the code.

Section VII constituted the Cotton Textile Industry Commitee an agency to assist in effecting adjustments of contracts where costs of executing them were increased by the application of the provisions of the Act to the industry.

Section VIII contained the mandatory provisions of Section 7(a) of the Act concerning collective bargaining.

Section IX provided, in accordance with Section 10(b) of the Act, that the code and all provisions thereof were expressly subject to the right of the President from time to time to cancel or modify his approval of the code.

Section X provided for consideration by the President of future amendments at the instance of the industry.

The code was approved by the President subject to the following thirteen interpretations and conditions, as set forth in the Executive Order of approval:

> "1. Limitations on the use of productive machinery shall not apply to production of tire yarns or fabrics for rubber tires for a period of three weeks after this date."

This condition applied to Section III of the code and was accepted by the Cotton Textile Industry Committee in its communication of July 15, 1933.

> "(2) The Planning Committee of the Industry, provided for in the Code, will take up at once the question of employee purchase of homes in mill-villages, especially in the South, and will submit to the Administration before January 1st, 1934, a plan looking toward eventual employee home-ownership."

This imposed an additional duty upon the agency for industrial self-government set up by Section VI of the Code. The industry committee, however, proposed a change in this condition so that it was incumbent on the agency only to make a report on the question of plans for eventual employee ownership of homes in mill villages, which change was approved by the President's order of July 16, 1933, and incorporated as Section XI in the Code.

> "(3) Approval of the minimum wages proposed by the code is not to be regarded as approval of their economic sufficiency but is granted in the belief that, in view of the large increase in wage payments provided by the Code, any higher minima at this time might react to reduce consumption and employment, and on the understanding that if and as conditions improve the subject may be reopened with a view to increasing them."

This interpretation of the approval of the minimum wages set by Section II of the Code was accepted by the industry committee, July 15, 1933.

The fourth condition of the President presumably referred both to provisions concerning minimum wages and maximum hours and was as follows:

> "(4) That office employees be included within the benefits of the Code."

The industry committee accepted this condition on July 15, 1933, with the following phraseology, which was approved by Executive Order of July 16, 1933, and incorporated as Section XII in the Code:

> "On and after July 31, 1933, the maximum hours of labor for office employees in the Cotton Textile Industry shall be an average of forty hours a week over each period of six months."

The committee made no mention of wages.

"(5) The existing amounts by which wages in the higher-paid classes, up to workers receiving $30 per week, exceed wages in the lowest paid class, shall be maintained."

This condition referred indirectly to Section II of the Code and was accepted by the industry committee in the following form, which was approved by the President on July 16, 1933, and incorporated as Section XIII!

"The amount of differences existing prior to July 17, 1933, between the wage rates paid various classes of employees (receiving more than the established minimum wage) shall not be decreased -- in no event, however, shall any employer pay any employee a wage rate which will yield a less wage for a work week of 40 hours than such employee was receiving for the same class of work for the longer week of 48 hours or more prevailing prior to July 17, 1933. It shall be a function of the Planning and Fair Practice Agency provided for in Paragraph 6 of the Code to observe the operation of these provisions and recommend such further provisions as experience may indicate to be appropriate to effectuate their purposes."

The President's sixth condition affected Section III of the Code and was as follows:

"(6) While the exception of repair shop crews, engineers, electricians and watching crews from the maximum hour provisions is approved, it is on the condition that time and one-half be paid for overtime."

However, the industry committee did not accept this condition and instead thereof proposed the following which was approved by Executive Order of July 16, 1933, and incorporated as Section XIV in the Code:

"On and after the effective date the maximum hours of labor of repair shop crews, engineers, electricians and watching crews in the Cotton Textile Industry shall, except in case of emergency work, be forty hours a week with a tolerance of 10 per cent. Any emergency time in any mill shall be reported monthly to the Planning and Fair Practice Agency provided for in Paragraph 6 of the Code, through the Cotton Textile Institute."

The following conditions of the President related to Sections II and III of the Code and were accepted by the industry committee on July 15, 1933:

"(7) While the exception of cleaners and outside workers is approved for the present, it is on condition that the Planning and Supervisory Committee provided by Section 6 prepare and submit to the Administration, by January 1, 1934, a schedule of minimum wages and of maximum hours for these classes".

"(8) It is interpreted that the provisions for maximum hours

establish a maximum of hours of labor per week for every employee covered, so that under no circumstances will such an employee be employed or permitted to work for any one or more employers in the industry in the aggregate in excess of the prescribed number of hours in a single week.

"(9) It is interpreted that the provisions for a minimum wage in this code establish a guaranteed minimum rate of pay per hour of employment regardless of whether the employee's compensation is otherwise based on a time rate or upon a piece work performance. This is to avoid frustration of the purpose of the code by changing from hour to piece-work rules."

The President's tenth condition, which concerned Section II of the Code, follows:

"(10) Until adoption of further provisions of this Code necessary to prevent any improper speeding up of work to the disadvantage of employees ("stretch-outs") and in a manner destructive of the purposes of the National Industrial Recovery Act, it is required that any and all increases in the amount of work or production required of employees over that required on July 1, 1933, must be submitted to and approved by the agency created by section six of the code and by the administration and if not so submitted such increases will be regarded as a prima facie violation of the provision for minimum wages."

The industry committee suggested the following modification of this condition on July 15, 1933, which modification was approved by the President July 16, 1933, and incorporated as Section XV in the code:

"Until adoption of further provisions of this Code that may prove necessary to prevent any improper speeding up of work (stretch-outs), no employee of any mill in the Cotton Textile Industry shall be required to do any work in excess of the practices as to the class of work of such employee prevailing on July 1, 1933, or prior to the Share-the-Work Movement, unless such increase is submitted to and approved by the Agency created by Section 6 of the Code and by the National Recovery Administration."

The following condition did not relate to a specific provision of the code and was not accepted by the industry committee:

"(11) The code will be in operation as to the whole industry but, opportunity shall be given for administrative consideration of every application of the code in particular instances to any person directly affected who has not in person or by a representative consented and agreed to the terms of the code. Any such person shall be given an opportunity for a hearing before the Administration or his representative, and for a stay of the application to him of any provision of the code prior to incurring any liability to the enforcement of the code

against him by any of the meansprovided in the National Industrial Recovery Act, pending such hearing. At such hearing any objection to the application of the code in the specific circumstances may be presented and will be heard."

In lieu thereof the following proposal of the industry committee was approved by the President on July 16, 1933, and incorporated as Section XVI in the Code:

"This Code shall be in operation on and after the effective date as to the whole cotton textile industry except as an exemption from or a stay of the application of its provisions may be granted by the Administrator to a person applying for the same or except as provided in an executive order. No distinction shall be made in such exemptions between persons who have and have not joined in applying for the approval of this Code." (*)

The President's twelfth condition in the order of approval of July 9, 1933, was as follows:

"(12) This approval is limited to a four months' period with the right to ask for a modification at any time and subject to a request for renewal for another four months at any time before its expiration."

However, the industry committee objected to this condition and it was therefore withdrawn by the President's order of July 16, 1933.

The final condition stated by the President was as follows and was accepted by the industry committee on July 15, 1933:

"(13) Section 6 of the Code is approved on condition that the Administration be permitted to name three members of the Planning and Supervisory Committee of the industry. Such members shall have no vote but in all other respects shall be members of such Planning and Supervisory Committee."

(*) In this connection attention is directed to the provisions of Executive Order 6205-B of July 15, 1933, which provided that the Administrator might stay the application of a code to persons who had not participated in establishing or consenting to a code if application was made by affected persons within ten days of the effective date of the code.

CHAPTER II

Definitions - Section I

Following is Section I of the Code for the Cotton Textile Industry as originally approved on July 9, 1933:

> "The term 'cotton textile industry' as used herein is defined to mean the manufacture of cotton yarn and/or cotton woven fabrics, whether as a final process or as a part of a larger or further process. The term 'employees' as used herein shall include all persons employed in the conduct of such operations. The term 'productive machinery' as used herein is defined to mean spinning spindles, and/or looms. The term 'effective date' as used herein is defined to be July 17, 1933, or if this code shall not have been approved by the President two weeks prior thereto, then the second Monday, after such approval. The term 'persons' shall include natural persons, partnerships, associations and corporations." (*)

(Following is a brief resume of several orders placing various textile and garment industries temporarily under the Cotton Textile Code pending action upon individual codes for each industry. The sundry variations of the Cotton Textile Code agreed upon for several industries are very briefly set forth since this study is primarily concerned with the provisions of the Cotton Textile Code per se.)

(Executive Order 6209-A of July 21, 1933, was an agreement making certain provisions of the Cotton Textile Code binding upon the Textile Finishing Industry, effective July 31, 1933, and subject to cancellation at any time without notice, except that the minimum wage was to be $1.00 per week higher in each section of the industry than the minimum rates approved in the Cotton Textile Code.)

(Executive Order 6209-B of July 21, 1933 was an agreement placing the underwear and allied products industry pending approval of a code therefor under the Code for the Cotton Textile Industry beginning July 24, 1933. This agreement also was subject to cancellation at any time without notice.)

(Executive Order 6221-D of July 26, 1933, was an agreement placing pajama manufacturers under the Cotton Textile Code pending action upon their own code. The agreement was not "to be interpreted as permitting any increase of hours over or reduction of wages below the standards now obtaining" and was subject to modification or cancellation at any time without notice.)

(Pending approval of a code for the industries represented by the International Association of Garment Manufacturers and Subdivisional Industries thereof, Executive Order 6221-C of July 26, 1933, was an

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* This section was amended August 25 and November 8, 1933 and August 2, 1934. See pages 10 and 12.

agreement making binding upon them certain sections of the Cotton Textile Code. The order further provided that employees were not to work in excess of 40 hours per week and that productive machinery was not to be operated for more than one shift of forty hours each per week. This agreement likewise was subject to modification or cancellation at any time without notice.)

(Executive Order 6227-A of July 27, 1933, was an agreement, effective at midnight on the date of the order, binding the members of the Cordage and Twine Industry by the provisions of the Cotton Textile Code pending action on a code to be submitted, by the terms of the order, on or before August 5, 1933. Executive Order 1-17 of October 20,1933, modified the previous Cordage and Twine Agreement because "in the ordinary routine the adoption of a permanent code for the industry may be delayed," by providing that all employers were to increase the rate of pay of all employees then receiving less than $35 per week to not less than 90% of the rates paid by each employer or his predecessor in business for the same class of work in June, 1929.)

The first amendment to Section I of the Cotton Textile Code was approved by the President on August 25, 1933, and was as follows:

> "That in the definition of the term 'Cotton Textile Industry in Section 1 of this Code, there be inserted after the word 'process' the following:
>
> 'and/or manufacture of woven rayon fabrics, 18" or more in width, the warp of which is primarily rayon or other synthetic fibre yarn, whether finished or unfinished'
>
> so that the completed sentence shall read as follows:
>
> 'The Term "Cotton Textile Industry" as used herein is defined to mean the manufacture of cotton yarns and/or cotton woven fabrics, whether as a final process or as a part of a larger or further process, and/or manufacture of woven rayon fabrics, 18" or more in width, the warp of which is primarily rayon or other synthetic fibre yarn, whether finished or unfinished.' "

The second amendment to Section I was approved by the President on November 8, 1933, and was as follows:

> "(a) There shall be added to the definition of the term 'Cotton Textile Industry' in Section I of said Code, the following:

and/or (3) the finishing of any of the foregoing fabrics, whether woven of cotton or rayon or other synthetic fibre or of a mixture of any of these fibres with any other fibres, provided that such finishing operations are carried on by (a) concerns engaged in the weaving of cotton and/or rayon or other synthetic fibre, (b) concerns engaged solely in finishing cotton woven fabrics, (c) concerns primarily equipped for and primarily engaged in finishing cotton woven fabrics who may also be engaged in finishing rayon and/or other synthetic fibre fabrics and/or (4) the manufacture of sewing, crochet, embroidery, and/or darning cotton thread.

so that the completed sentence shall read as follows:

The term "Cotton Textile Industry" as used herein is defined to mean (1) the manufacture of cotton yarns and/or cotton woven fabrics, whether as a final process or as a part of a larger or further process, and/or (2) the manufacture of woven rayon fabrics 18" or more in width, the warp of which is primarily rayon or other synthetic fibre yarn, whether finished or unfinished, and/or (3) the finishing of any of the foregoing fabrics, whether woven of cotton or rayon or other synthetic fibre or of a mixture of any of these fibres with any other fibres, provided that such finishing operations are carried on by (a) concerns engaged in the weaving of cotton and/or rayon or other synthetic fibre, (b) concerns engaged solely in finishing cotton woven fabrics, (c) concerns primarily equipped for and primarily engaged in finishing cotton woven fabrics who may also be engaged in finishing rayon and/or other synthetic fibre fabrics and/or (4) the manufacture of sewing, crochet, embroidery, and/or darning cotton thread.

"(b) There shall be added to the definition of 'productive machinery' in Section I of said Code, the following:

(3) printing machines; (4) piece dyeing machines; (5) starching and/or drying machines, operating on fabrics and not on raw stock or yarn or cotton thread where the same are used for the major operation in the production of plain bleached or unbleached fabrics which are not dyed or printed; (6) all machinery used for spooling, winding, reeling, or skeining as a final process to produce cotton thread ready for sale as a finished article; (7) cone winding machines, reels, through tube cop machines and parallel tube winding machines used in the production of mercerized yarn only.

so that the completed sentence shall read as follows:

The term "productive machinery" as used herein is defined to mean (1) spinning spindles; (2) looms; (3) printing machines; (4) piece dying machines; (5) starching and/or

drying machines, operating on fabrics and not on raw stock or yarn or cotton thread where the same are used for the major operation in the production of plain bleached or unbleached fabrics which are not dyed or printed; (6) all machinery used for spooling, winding, reeling, or skeining as a final process to produce cotton thread ready for sale as a finished article; (7) cone winding machines, reels, through tube cop machines and parallel tube winding machines used in the production of mercerized yarn only.

"(c) There shall be added to the definition of the term 'effective date' in Section I of said Code, the following:

provided that the "effective date" of the provisions of this code which relate to the finishing and cotton thread manufacturing subdivisions of the industry shall be the next Monday after the approval of such provisions, except as heretofore approved and effective.

so that the completed sentence shall read as follows:

The term "effective date" as used herein is defined to be July 17, 1933, or if this code shall not have been approved by the President two weeks prior thereto, then the second Monday after such approval; provided that the "effective date" of the provisions of this code which relate to the finishing and cotton thread manufacturing subdivisions of the industry shall be the next Monday after the approval of such provisions, except as heretofore approved and effective.

"(d) There shall be added to the definitions in Section I of said Code the following definitions:

The term "job finishers" as used herein is defined to mean those finishers who do not purchase or own either the grey or the finished fabrics, but merely perform processing and finishing services under a contract with the owner of the goods, who usually is a "converter."

The term "corporation finishers" as used herein is defined to mean those finishers who own or have a direct or indirect interest in grey and finished fabrics and who process and finish the goods for their own account and requirements, and/or for other accounts.

The term "mill finishers" as used herein is defined to mean those mills which are engaged in the weaving of fabrics or production of cotton thread and engaged in the auxiliary finishing operations solely on the fabrics or cotton thread so produced by them.

The term "manufacturers of cotton thread" as used herein is defined to mean all producers of sewing, crochet, embroidery, or darning cotton thread, and the term "producers of cotton

thread" as used herein is defined to mean all who operate machinery in the production of the said cotton threads or any of them, and all who purchase unfinished cotton thread and cause the further processing of such cotton thread for the purpose of selling the same as a finished article."

Administrative Order 1-73 (also numbered 35-13) of June 27, 1934, by implication released textile roll coverers from compliance with the Cotton Textile Code by ordering that any one "engaged in covering or recovering rolls used in textile machines" was to be classified under the code for the Textile Machinery Manufacturing Industry.

The definition of "productive machinery" in Section I of the code was amended on August 2, 1934, by changing the wording of subdivision (4) from "piece dyeing machines" to

"piece dyeing machines where the same are used in the production of unprinted fabrics."

Administrative Order 1-84 (also numbered 3-27) of August 24,1934, was a classification ruling that the manufacture of all blankets and all piece goods, up to and including 25% of wool by weight, plus 2% tolerance for manufacturing operations, was governed by the Cotton Textile Code; all others containing both wool and cotton, by the Wool Textile Code. It was also ruled that the manufacture of all merino yarns, up to and including 45% of wool by weight, when spun on the cotton system, was governed by the Cotton Textile Code; mixed yarns spun on the cotton system, containing an excess of 45% of wool by weight and all mixed yarns spun on any other system, by the Wool Textile Code.

Administrative Order 1-89 of September 6, 1934, modified Order 1-84 and 3-27, dated August 24, 1934, by ordering that all wool mills, manufacturing blankets, merino yarns and piece goods, classified by said order under the Cotton Textile Code, be "exempted from all fair trade practice provisions of said Code, in so far as they affected bona fide legally enforceable contracts entered into prior to the date" of the later order.

CHAPTER III

Minimum Wage - Section II

Section II of the Cotton Textile Code, as approved July 9, 1933, was as follows:

> "On and after the effective date, the minimum wage that shall be paid by employers in the cotton textile industry to any of their employees -- except learners during a six weeks' apprenticeship, cleaners, and outside employees -- shall be at the rate of $12 per week when employed in the southern section of the industry and at the rate of $13 per week when employed in the northern section for 40 hours of labor."

The President's order of approval contained an interpretation concerning minimum wages to the effect that their approval was not to be regarded as approval of their economic sufficiency but was granted because any higher minima at that time might have reacted to reduce consumption and employment and on the understanding that if and as conditions improved, the subject might be reopened with a view to increasing them.

The first amendment to Section II of the Cotton Textile Code was approved by the President November 8, 1933, and was as follows:

> "There shall be inserted at the end of Section II of said Code the following:
>
> > 'but the employees in the operation of bleeching dyeing, and printing equipment in finishing fabrics shall be paid at the rate of not less than $13 per week in the southern section of the industry and at the rate of not less than $14 per week in the northern section of the industry for 40 hours of labor.'

so that the completed Section II shall read as follows:

> 'On and after the effective date, the minimum wage that shall be paid by employers in the Cotton Textile Industry to any of their employees--except learners during a six weeks' apprenticeship, cleaners and outside employees--shall be at the rate of $12 per week when employed in the southern section of the industry and at the rate of $13 per week when employed in the northern section for 40 hours of labor, but the employees in the operation of bleeching, dyeing, and printing equipment in finishing fabrics shall be paid at the rate of not less than $13 per week in the southern section of the industry

> and at the rate of not less than $14 per week in the northern section of the industry for 40 hours of labor.'"

The second amendment to Section II of the Code was approved by the Administrator (*) on December 27, 1933, and was as follows:

> "There shall be added at the end of Section II of the Code of Fair Competition for the Cotton Textile Industry the following:
>
> > 'In the case of outside employees and cleaners the minimum wage shall not be less than 75% of the standard minimum wage hereinabove set forth. In the case of employees in the industry who are partially incapacitated by reason of age, injury, incompetency, or infirmity the minimum wage shall be not less than 80% of the standard minimum wage hereinabove set forth, provided that such employees employed by any one employer shall not exceed 4% of the total number of his employees, and further that as a condition to the employment of such employees the Cotton Textile National Industrial Relations Board may require such certificate as it may find advisable with relation thereto.'"

Executive Order 6606-F of February 17, 1934, provided that no code provision was to be so construed or applied as to prevent the employment of a person whose earning capacity was limited because of age, physical or mental handicap, or other infirmity, on light work at a wage below the minimum established by a code if the employer obtained from the state authority, designated by the U. S. Department of Labor, a certificate authorizing such person's employment at such wages and for such hours as were stated in the certificate.

The third amendment to Section II of the Cotton Textile Code was couched in terms very similar to Executive Order 6606-F and was approved by the Administrator on July 6, 1934:

> "That the portion of Section II of the Code reading as follows:
>
> > 'In the case of employees in the Industry who are partially incapacitated by reason of age, injury, incompetency or infirmity the minimum wage shall not be less than 80% of the standard minimum wage hereinabove set forth, provided that such employees employed by any one employer shall not exceed 4% of the total number of his employees, and further that as a condition to the employment of such employees the Cotton Textile National Industrial Relations Board may require such certificate as it may find advisable with relation thereto.'

(*) Executive Order 6543-A, delegating to the Administrator the power to approve amendments, was approved December 30, 1933.

shall be stricken out and that the following be substituted in lieu thereof:

> 'An employee whose earning capacity is limited because of age, physical or mental handicap, or other infirmity, may be employed on light work at a wage below the standard minimum hereinabove set forth, if the employer obtains from the state authority, designated by the United States Department of Labor, a certificate authorizing such employee's employment at such wages and for such hours as shall be stated in the certificate. Each employer shall file monthly with The Cotton-Textile Institute, Inc., as agent of the Cotton Textile Industry Committee to receive the same, a list of all such employees employed by him, showing the wages paid to, and the maximum hours of work for such employee.'"

Administrative Order X-6, issued February 12, 1934, pursuant to authority delegated to the Administrator by Executive Order 6590-B of February 3, 1934, required every person subject to a code to register with his code authority the full name of his enterprise, together with a statement of the number of shops, establishments or separate units thereof and their location. Upon such registration, each person was to be furnished with official copies of the labor provisions of the code to which he was subject, such copies to be kept conspicuously posted at all times by such person in each separate unit of his enterprise. In addition, the employer was to post alongside the code provisions a certified copy of any exemption, exception, or modification permitting him to pay lower wages or work his employees longer hours or establish conditions of employment less favorable to his employees than those prescribed by the code. Administrative Order X-7 of February 28, 1934, among other things, provided that the Administrator might remove the Blue Eagle from an employer for failure to comply with regulations concerning posting of labor provisions. Administrative Order X-82 of September 1, 1934, provided that official copies of labor provisions for posting were also to set forth such conditions, orders, interpretations explanations or statements issued by the President or the Administrator as part or in connection with any order approving a code or any amendment thereto relating to labor provisions; further, such general interpretations, orders and explanations as N.R.A. might deem advisable to effectuate the purposes of the rules and regulations.

Executive Order 6750-C, dated June 27, 1934, and effective July 15, 1934, in effect granted an exemption from the minimum wage and maximum hours provisions of codes for members of industries employing apprentices, if certificates permitting the employment of such persons in conformity with a training program were first obtained from an agency to be designated by the Secretary of Labor. The term "apprentice" was defined to mean a person of at least 16 years of age who had entered into a written contract with an employer or an association of employers which provided for at least 2,000 hours of reasonably continuous employment for such person and his participation in an approved program of

training. Thus, under the terms of this Executive Order an employer could employ apprentices for a period of 50 weeks at less than the minimum wage--instead of the 6 weeks' apprenticeship set by the code--if the employer elected to become subject to the provisions of the order.

CHAPTER IV

Maximum Hours Of Employees And Productive Machinery - Section III

Section III of the Cotton Textile Code, as originally approved on July 9, 1933, follows:

> "On and after the effective date, employers in the cotton textile industry shall not operate on a schedule of hours of labor for their employees - except repair shop crews, engineers, electricians, firemen, office and supervisory staff, shipping, watching and outside crews, and cleaners - in excess of 40 hours per week and they shall not operate productive machinery in the cotton textile industry for more than 3 shifts of 40 hours each per week."

The President's order of approval stated that the approval of the exception of repair shop crews, etc., from the maximum hours provision was on condition that time and one-half be paid for overtime. However, the industry committee on July 15, 1933, suggested the following in lieu of the condition in the order of approval which the President accepted July 16, 1933:

> "On and after the effective date the maximum hours of labor of repair shop crews, engineers, electricians and watching crews in the cotton textile industry shall, except in case of emergency work, be forty hours a week with a tolerance of 10 percent. Any emergency time in any mill shall be reported monthly to the Planning and Fair Practice Agency provided for in paragraph 6 of the code, through the Cotton Textile Institute."

The President's order of approval dated July 9, 1933, also provided that while the exception of cleaners and outside workers was approved for the present, it was on condition that the Planning and Supervisory Committee provided by Section 6 prepare and submit to the Administration by January 1, 1934 a schedule of minimum wages and maximum hours for these classes. This condition was accepted by the industry committee on July 15, 1933.

In addition, the original order of approval of the Cotton Textile Code of July 9, 1933, interpreted the provisions for maximum hours as establishing a maximum of hours of labor per week <u>for every employee covered</u>, so that under no circumstances would such an employee be employed or permitted to work for one or more employers in the industry in the aggregate in excess of the prescribed number of hours in a single week. This interpretation was also accepted by the industry committee on July 15, 1933.

A further condition in the President's order of approval of July 9, 1933 was as follows:

> "Limitations on the use of productive machinery shall not apply to production of tire yarns or fabrics for rubber tires for a period of three weeks after this date."

This condition was likewise accepted by the industry committee on July 15, 1933.

Administrative Order 1-12 of July 30, 1933, stayed the application of Section III of the Cotton Textile Code, pending determination by the President of issues raised by the application for exemption from limitations of the use of machinery, as to the production of tire yarns or fabrics for rubber tires.

The following requirements (*) concerning productive machinery were approved by the Administrator, effective October 1, 1933, pursuant to recommendations of the Cotton Textile Industry Committee:

"(1) All persons engaged or engaging in the cotton textile industry shall register with The Cotton-Textile Institute, Inc., 320 Broadway, New York City, an inventory of their productive machinery, as defined in said Code, in place on October 1, 1933, or then under contract but not installed, such inventory to be duly certified to as to its completeness and correctness;

"(2) On and after November 1, 1933, all persons engaged or engaging in the cotton textile industry shall file a report monthly with The Cotton-Textile Institute, Inc., 320 Broadway, New York City, setting forth any installation of additional productive machinery, (new or second hand), as defined in said code, installed by them, and specifying the extent to which such installation is for the replacement of a similar number of units of productive machinery or for the purpose of bringing the operation of existing productive machinery into balance, and an explanation of the same, as duly certified;

"(3) After October 1, 1933, all persons engaged or engaging in the cotton textile industry, prior to the installation of additional productive machinery, as defined in said code, not theretofore contracted for, except for such replacement and such balancing of operation of existing productive machinery, shall file application with The Cotton-Textile Institute, Inc., 320 Broadway, New York City, for transmission through the Cotton Textile Industry Committee to the Administrator, stating the circumstances of and reasons for such installation, and shall secure a certificate from the Administrator that such installation will be consistent with effectuating the policy of the National Industrial Recovery Act during the period of the emergency; and

"(4) The Cotton Textile Industry Committee shall examine into such application for such certificate and the facts as to the circumstances of and reasons for such proposed installation. It shall transmit to the Administrator such application with any statement submitted by the applicant, with its report of such examination of the facts and with its recommendation as to the granting or withholding by the Administrator of such certificate to such applicant."

(*) Recommended by the Code Authority under Section VI of the Code.

Executive Order 1-18 of November 6, 1933, denied the application for exemption from the machine hour provision of the Cotton Textile Code as applied to the use of machinery in the production of tire yarns or fabrics for rubber tires and beginning November 15, 1933, the stay of said provision, granted July 30, 1933, was to be terminated and no further exemption from or exception to the provision of said code was to be made except by the President upon recommendation of the Cotton Textile Industry Committee and the Administrator, or the Administrator, or as approved by the President.

The first amendment to Section III was approved by the President on November 8, 1933, and was as follows:

"There shall be added to Section III of said Code, after the words '40 hours per week,' the following:

'Provided employees engaged in the operation of such machines as dyeing, bleaching, drying, and mercerizing machines, when used only as a part of continuous chemical processes where the goods would be jeopardized by interruption, may, in such emergency, work more than 40 hours per week, but not in excess of 48 hours per week.'

and the remainder of the Section following the words '40 hours per week' shall be revised and amended so as to read as follows:

'employers in the Cotton Textile Industry shall not operate productive machinery for more than two shifts of 40 hours each per week; provided, however, that the operating of finishing machinery, except printing machinery, by mill finishers for a sufficient number of hours to finish the fabrics woven on their own looms only, or cotton thread made on their own machinery only shall not be deemed a violation of this section, until any such finishing operation exceeding two shifts of 40 hours each be determined to be an unfair competitive practice.'

so that the amended Section III shall read as follows:

'On and after the effective date, employers in the Cotton Textile Industry shall not operate on a schedule of hours of labor for their employees -- except repair shop crews, engineers, electricians, firemen, office and supervisory staff, shipping watching and outside crews, and cleaners -- in excess of 40 hours per week; Provided, employees engaged in the operation of such machines as dyeing, bleaching, drying, and mercerizing machines, when used only as a part of continuous chemical processes where the goods would be jeopardized by interruption, may, in

> such emergency, work more than 40 hours per week, but not in excess of 48 hours per week. Employers in the Cotton Textile Industry shall not operate productive machinery for more than two shifts of 40 hours each per week; provided, however, that the operating of finishing machinery, except printing machinery, owned by mill finishers for a sufficient number of hours to finish the fabrics woven on their own looms only or cotton thread made on their own machinery only shall not be deemed a violation of this section, until any such finishing operation exceeding two shifts of 40 hours each be determined to be an unfair competitive practice.'"

Executive Order 1-20 of November 13, 1933, extended the date of termination of the stay of the provision limiting machine hours as applied to the production of tire yarns or fabrics for rubber tires from November 13 to November 20, 1933. Executive Order 1-21 of November 27, 1933, extended the termination date of the aforementioned stay pending the completion of hearings and determination by the President of issues raised with respect to the said provision.

Administrative Order 1-23 of December 2, 1933, provided that during the month of December, 1933, productive machinery in the Cotton Textile Industry was not to operate for more than 75 percent of the hours otherwise permitted by the Cotton Textile Code, except that the 75 percent provision was not to apply to the tire fabric group. It was further prescribed that

> "To provide procedure for necessary temporary changes in the limitation of hours of operation of productive machinery provided in the Code to meet particular conditions arising in particular groups in the industry and to preserve a balance of productive activity with consumption requirements, the Code Authority with the concurrence of the government representatives" 'thereon might thereafter,' "for the periods of not more than ninety days, require a temporary shortening of the hours of such machine operation within any group from those otherwise permitted by the Cotton Textile Code."

Executive Order 1-26 of December 4, 1933, denied the application for exemption from the provision of the Cotton Textile Code limiting the use of productive machinery as applied to the production of tire yarns or fabrics for rubber tires, terminated the stay of said provision, last extended on November 27, 1933, and provided that the provision with reference to the limitation of the use of productive machinery as applied to the production of tire yarns or fabrics ror rubber tires was to be in full force and effect from and after December 11, 1933.

Administrative Order 1-27 of December 13, 1933, certified that the proposed installation by Martha Mills, a Georgia corporation, of 33,600 spinning spindles in its plant, by transfer from another existing plant, was "consistent with effectuating the policy of the National Industrial Recovery Act during the period of the emergency,"

under the supplemental requirements effective October 1, 1933. (*)

Administrative Order 1-23 (**) of December 15, 1933, "required that, for a period of sixty days, from January 1, 1934, spinning spindles in the industry, wherever located, operating on the production of any type of carded yarns for sale as such (such spindles comprising the productive machinery of the carded yarn group of the industry)" were not to "be operated in excess of forty-eight hours each in any week during such period, provided that such period" might be "shortened by the Code Authority with the concurrence of the government representatives thereon, or that such restriction of hours of operation" might "likewise be reduced at any time during the period as changing conditions" might warrant; "and provided further that during the period when such temporary limitation" was in effect, "no weaving mill, combed yarn mill or knitting mill" was to "operate spindles in the production of any type of carded yarn for sale as such which were not employed in spinning carded yarn for such sale at some time during the ninety days prior to December 1, 1933."

Administrative Order 1-29,(***) of December 18, 1933, required that, for the month of January, 1934, printing machinery was not to operate for more than 75 per cent of the hours otherwise permitted by the Cotton Textile Code; provided that such period might be shortened by the Code Authority with the concurrence of the government representatives thereon, or that such restrictions of hours of operation might likewise be reduced at any time during the period as changing conditions might warrant.

The second amendment to Section III of the Cotton Textile Code was approved by the Administrator on December 27, 1933, to be effective January 1, 1934, and was as follows:

> "There shall be added at the end of the first paragraph of Section III of the Code of Fair Competition of the Cotton Textile Industry the following:
>
> > 'In the case of outside employees, employers in the Cotton Textile Industry shall not operate on a schedule of hours of labor in excess of 44 hours per week, except in cases of emergency. In the case of cleaners, no employer in the Cotton Textile Industry shall operate on a schedule of hours of labor in excess of 44 hours per week.'"

(*) See page 18 above.

(**) Requirement of Code Authority under Order 1-23 (see page 19 above) with concurrence of government representatives, one of whom was the Administrator.

(***) Requirement of Code Authority under Order 1-23 (see page 19 above) with concurrence of government representatives, one of whom was the Administrator.

Administrative Order 1-31A of December 29, 1933, exempted from the operation of the requirements providing for a further temporary limitation on the hours of operation of productive machinery for the manufacture of fine goods during the month of January, 1934, such machinery in the fine goods branch of the industry which was actually engaged in filling such contracts for the United States Government as were awarded against bids submitted prior to January 1, 1934; provided that each manufacturer operating such machinery so limit the operation of other similar active machinery not so engaged, so that the total average operation of productive machinery active in January, 1934, owned by such manufacturer, would not exceed the hours of operation provided in said requirements. The same order also exempted two corporations from the application of the temporary requirement for a further limitation during the month of January, 1934, on hours of loom operation in fine goods mills beyond that specified in Section III of the Cotton Textile Code.

Administrative Order 1-31B of December 29, 1933, exempted from the order of December 2, 1933, providing for a further temporary limitation on the hours of operation of productive machinery during the month of December, 1933, such machinery in the industry which was actually engaged in filling such contracts for the United States Government as were awarded against bids submitted prior to December 2, 1933. The operation of other similar active machinery not so engaged was to be limited so that the total average operation of productive machinery active in December, 1933, would not exceed the previous requirement.

Administrative Order 1-31C (*) of December 29, 1933, provided that during the month of January, 1934, fine goods manufacturers operating looms in the Fine Goods Group of the Cotton Textile Industry on fabrics made wholly or in part of combed cotton yarn and on fabrics made of carded cotton yarn warps of counts finer than No. 28s yarn and/or fillings finer than No. 40s yarn (but not including all cotton fabrics now identified with the Print Cloth Group where the cloth construction does not exceed 112 ends per inch in the warp) were to suspend operation of such looms for one calendar week in addition to observing the limitations on hours of machine operation provided by Section III of the Cotton Textile Code. It was further required that the number of looms operating in any mill at any time during January, 1934, on such fabrics was not to exceed the maximum number of looms reported to The Cotton Textile Institute, Inc., as operated by that mill at any time between July 17, 1933 and December 1, 1933. The order further required that no manufacturer in the Rayon Group operating looms on linings, twills, taffetas, French Crepes, poplins and satin, woven of synthetic fabric yarn warps, during the four weeks beginning January 1, 1934, was to operate such looms on such fabrics for a total of loom hours in excess of three times the loom hours of the maximum week run of such manufacturer on such looms between July 17 and December 1, 1933, as reported to the Cotton Textile Institute, Inc., except that such manufacturer might suspend operation

(*) By Code Authority under Order 1-23 (See page 19 above) with concurrence of government representatives, one of whom was the Administrator.

of such looms for one calendar week during the month of January, 1934, in lieu of such further limitation.

Administrative Order 1-31D of December 29, 1933, exempted cotton spindles in mills making underwear from the operation of the order of December 2, 1933, providing for a further temporary limitation on the hours of operation of productive machinery during the month of December, 1933; provided, however, that this exemption did not apply to such spindles in underwear mills as had been substantially engaged since the code became effective in the production of yarn for sale in the open market in competition with other carded yarns.

Administrative Order 1-31E of December 29, 1933, exempted from Order 1-28 of December 15, 1933, (*) providing for a limitation upon the hours of operation of productive machinery in the carded yarn group of the industry for a period of sixty days from January 1, 1934, such spindles as might be engaged during said period in the spinning of yarn for eventual use in the manufacture of rubber tires.

Administrative Order 1-32 (**) of January 10, 1934, provided that for a period of seven weeks, beginning January 15, 1934, and ending March 3, 1934, no spinning spindle in the Cotton Textile Industry, wherever located, operating on the production of any type of combed yarn for sale as such with the single exception of spindles producing yarn for eventual use in the manufacture of rubber tires (all such spindles comprising the productive machinery of the Combed Sales Yarn Group of the Industry) was to be operated during any week within such period in excess of 70 percent of the maximum hours of weekly operation otherwise permissible for such productive machinery under Section III of the Cotton Textile Code as approved by the President on July 16, 1933, provided that the above period might be shortened by the Code Authority with the concurrence of the government representatives thereon, or that such restriction of hours of operation might likewise be reduced at any time during the period as changing conditions might warrant. It was further required that, during the period when such temporary limitation was in effect, no weaving mill, carded yarn mill, knitting mill, thread manufacturer or mercerizing establishment was to operate spindles in the production of any type of combed yarn for sale as such, other than yarn for eventual use in the manufacture of rubber tires, which were not employed in spinning combed yarn for such sale at some time during the 90 days prior to January 1, 1934.

Administrative Order 1-33(***) of January 10, 1934, required

(*) See page 20 above.

(**) By Code Authority under Order 1-23 (see page 19 above) with concurrence of government representatives, one of whom was the Administrator.

(***) By Code Authority under Order 1-23 (See page 19 above) with concurrence of government representatives, one of whom was the Administrator.

that for a period of seven weeks, beginning January 15, 1934 and ending March 3, 1934, no spinning spindle, owned by a mercerizing company, operating on the production of combed yarn for further processing in its own mercerizing establishment, was to be operated during such period for a total number of hours in excess of the equivalent of 75 percent of the maximum hours of operation which would otherwise be permitted by Section III of the Cotton Textile Code, provided that this period might be shortened by the Code Authority with the concurrence of the government representatives thereon, or that such restriction of hours of operation might likewise be reduced at any time during the period as changing conditions might warrant.

Administrative Order 1-34 (*) of January 10, 1934, required that for a period of seven weeks, beginning January 15, 1934 and ending March 3, 1934, no spinning spindle owned by a thread producer, operating on the production of combed yarn to be sold by such thread producer as thread, was to be operated during such period a total number of hours in excess of the equivalent of 75 percent of the maximum hours of operation, which would otherwise be permitted by Section III of the Cotton Textile Code, provided the period or the restriction of hours might be reduced as changing conditions might warrant. It was further required that, during the period such temporary limitation was in effect, no weaving mill, carded yarn mill, combed yarn mill, knitting mill or mercerizing establishment was to operate spindles in the production of any type of finished thread to be sold direct to the trade for sewing purposes which were not employed in spinning thread for such sale at some time during the ninety days prior to January 1, 1934.

Administrative Order 1-37 of January 15, 1934, exempted 200 looms of the Cherokee Spinning Company, Knoxville, Tennessee, from the requirements of Order 1-31C (**) of December 29, 1933, providing for a temporary limitation on the hours of operation of productive machinery for the manufacture of fine goods during the month of January, 1934, on condition that said company effect a corresponding reduction of the loom hours involved before April 1, 1934.

Administrative Order 1-38 of January 22, 1934, granted an exception from the provisions of Section III of the Cotton Textile Code during the week ending January 20, 1934, to the Merrimack Manufacturing Company of Lowell, Massachusetts.

Administrative Order 1-39 of January 22, 1934, approved the proposed installation by the Gates Rubber Company of Denver, Colorado, of 20,000 spinning spindles for the manufacture of tire cord in its proposed plant, by transfer from another existing plant, under the supplementary provisions, effective October 1, 1933, of the

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(*) By Code Authority under Order 1-23 (See page 19 above) with concurrence of government representatives, one of whom was the Administrator.

(**) See page 21 above.

Cotton Textile Code.(*)

Administrative Order 1-40 of January 23, 1934, required (**) that, for the month of February, 1934, printing machinery was not to be operated for more than 75 percent of the hours otherwise permitted by Section III of the Cotton Textile Code.

Administrative Order 1-41 of January 23, 1934, required (***) that, for a period of twelve weeks beginning January 29, 1934, and ending April 21, 1934, no mill in the Cotton Textile Industry, wherever located, was to operate looms forty-five inches or wider for the production of wide sheetings for immediate or ultimate use for bed sheets or pillow cases a total number of loom hours in excess of 75 percent of the total number of loom hours otherwise permissible for such productive machinery under Section III of the Cotton Textile Code. It was further required that no mill which had not, for a period of ninety days prior to January 5, 1934, operated looms forty-five inches or wider for the production of wide sheetings, was to engage in such operations and such production during the aforementioned period of twelve weeks.

Administrative Order 1-42 of January 23, 1934, modified Order 1-28 of December 15, 1933, (***) by requiring that for a period of four weeks beginning January 29, 1934, and ending February 24, 1934, spinning spindles in the Cotton Textile Industry, wherever located, operating on the production of any type of carded yarn for sale as such, except yarn for eventual use in the manufacture of rubber tires, were not to be operated in excess of sixty hours each in any week during such period. Until January 29, 1934, the effective date of Order 1-42, the emergency requirements of Order 1-28 were to continue in full force and effect.

Administrative Order 1-45 of January 29, 1934, required (****) that all fine goods mills were to suspend operations on all looms on fine cotton goods for three days in February and three days in March, such days to be interpreted as full working days of not less than a single shift of eight hours, if a mill was operating on a single-shift basis, and not less than two shifts of a total of sixteen hours, if on a two-shift basis, and the time so lost was not to be made up by any method; 300 looms in each mill were exempted from this requirement.

(*) See page 17 above.

(**) By Code Authority under Order 1-23 (see page 19 above) with concurrence of government representatives, one of whom was the Administrator.

(***) By Code Authority under Order 1-23 (see page 19 above) with concurrence of government representatives, one of whom was the Administrator

(****) See page 20 above.

(*****) By Code Authority under Order 1-23 (see page 19 above) with concurrence of government representatives, one of whom was the Administrator.

Administrative Order 1-46 (signed by the Division Administrator) of February 8, 1934, exempted the Plymouth Cordage Company of North Plymouth, Massachusetts, from the provisions of the cordage and twin agreement (*) and gave it permission to operate its productive cording machinery for four forty-hour shifts per week for a period of six weeks from the date of the order, on condition that the number of hours worked by any employee was not extended beyond the maximum set by the agreement. (The Cordage and Twin Code, No. 303, was approved February 21, 1934.)

Administrative Order 1-49 (Amendment No. 5 to the Cotton Textile Code) of February 21, 1934, "determined that the operating of finishing machinery owned by mill finishers on sheetings 42" wide and over, woven on their own looms for more than two shifts of 40 hours each per week, is an unfair competitive practice."

Administrative Order 1-50 of February 23, 1934, required (**) that during the month of March, 1934, no printing machine in the finishing branch of the industry was to operate in any week for more than 75 percent of the eighty hours per week otherwise permitted by Section III of the Cotton Textile Code; provided, however, that for the period of five weeks beginning February 26, 1934 and ending March 31, 1934, three printing machines in each plant were permitted to operate the full eighty hours per week permitted by the code.

Administrative Order 1-52 of February 27, 1934, approved the proposed installation by Martha Mills, a Georgia Corporation, of 4,800 additional spinning spindles in its plant by transfer from another existing plant.

Administrative Order 1-54 (signed by the Division Administrator), dated April 21, 1934, exempted the Warren Narrow Fabric Company of Warren, Rhode Island, from the provisions of Section III of the Cotton Textile Code to the extent necessary to permit said company for a period of six weeks from the date of the order to operate a maximum of thirty looms three shifts of forty hours each per week; provided that, subsequently during the balance of the calendar year 1934, said company was to reduce its hours of operation of productive machinery below those otherwise permitted by the code by the amount of the excess machine hours operated pursuant to the authorization of the exemption. Administrative Order 1-62 of June 2, 1934, extended this exemption to July 14, 1934.

Administrative Order 1-55 (signed by the Division Administrator), dated April 23, 1934, exempted the Schlegel Manufacturing Company of Rochester, New York, from the provisions of Section III of the code to the extent necessary to permit said company for sixty days from the date of the order "to operate in the production of glass run channel linings on a maximum schedule of hours of labor for its women employees of not in excess of forty-eight hours per week and for its men employees of not in excess of sixty hours per week

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(*) See page above.

(**) By Code Authority under Order 1-23 (see page 19 above) with concurrence of government representatives, one of whom was the Administrator.

during said period to operate productive machinery ..... for not more than one day-shift of forty-eight hours each per week and one night-shift of sixty hours each per week; "provided that time and one-third was to be paid for all overtime of labor beyond that provided in the Cotton Textile Code and further that the wages and hours of labor for repair shop crews, engineers, electricians, firemen, office and supervisory staff, shipping, watching and outside crews, and cleaners, were to remain unaffected by the exemption.

Administrative Order 1-60 of May 22, 1934, provided that "During each of the three consecutive four-week periods, beginning on the 4th day of June, 1934, and ending on the 25th day of August, 1934, no productive machine in the Cotton Textile Industry" was to "operate for more than 75 percent of the hours otherwise permitted" by the code. In lieu of the foregoing requirement no manufacturer in the rayon weaving branch of the industry, during each of two consecutive four-week periods beginning June 4, 1934 and ending July 28, 1934, was to operate looms in excess of three times the average weekly loom hours run by such manufacturer during the months of January, February and March, 1934, except that such manufacturer might instead suspend operation of such looms for one calendar week during each of the aforementioned two four-week periods.

The foregoing provisions of Administrative Order 1-60 were not to apply to (1) mills operating throughout said three four-week periods a single shift of 40 hours or less per week; (2) machinery actually engaged in filling such contracts for the United States Government as were awarded against bids submitted prior to May 22, 1934; (3) machinery engaged in the production of tire yarns or fabrics for rubber tires, tobacco cloths, woven cotton blankets, upholstery and drapery fabrics, Jacquard woven bedspreads, merino yarns, narrow fabrics of certain types, paper dryer felt, millinery foundation cloths; (4) machinery used for spooling, winding, reeling or skeining as a final process to produce cotton thread for sale as a finished article. It was further provided that reductions in operation were to be made on reducing hours or days in each week and not in shut-downs of one or more weeks.

Administrative Order 1-63 of June 5, 1934, exempted for a period of three months the International Braid Company of Providence, Rhode Island, from the provisions of Section III of the Cotton Textile Code to the extent necessary to permit said company during said period to operate a maximum of ten looms three shifts of forty hours each per week in the production of venetian blind ladder tape.

Administrative Orders 1-64 and 1-65, both of June 5, 1934, each exempted one company from the application of the curtailment order (No. 1-60) of May 22, 1934, (*) with respect to a limited number of looms.

Administrative Order 1-66 of June 5, 1934, exempted from the curtailment order (No. 1-60) of May 22, 1934 (**) (1) up to and including 150 looms in any mill having in place 300 looms or less and an adequate

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(*) See page above .
(**) See page above .

number of spindles in such mills to provide yarns to balance the operations of such exempted looms; (2) up to and including 2500 cotton spinning spindles in any mill having no looms and having 5000 or less spindles in place; (3) all looms then engaged in the production of velveteens and clip spot marquisettes and an adequate number of spindles to provide yarn to balance the operation of such exempted looms; and (4) all jacquard looms then engaged in the production of cotton damask and an adequate number of spindles to provide yarn to balance the operations of such exempted looms.

Administrative Order 1-67 (signed by the Division Administrator) of June 8, 1934, exempted three printing machines in each finishing plant in the industry from the appliction of the curtailment order (No. 1-60) of May 22, 1934* so that they might be operated up to eighty hours a week for a period of four weeks beginning June 4 and ending June 30, 1934.

Administrative Orders 1-68, 1-70 and 1-71, all signed by the Division Administrator and dated June 12, 1934, denied applications of individual companies for exemption from the curtailment order (No. 1-60) of May 22, 1934).**

Administrative Orders 1-69 of June 12, 1934, 1-85 of August 28, 1934, 1-87 of August 31, 1934, and 1-90 of September 5, 1934, all signed by the Division Administrator, granted exemptions to individual companies from the provisions of the curtailment order (No. 1-60) of May 22, 1934,*** for various periods and with respect to certain productive machinery.

Administrative Order 1-72 (signed by the Division Administrator) of June 22, 1934, stayed the provisions of the curtailment order (No. 1-60) of May 22, 1934, as to all knitters of underwear, owning their own spindles, for the first period named in said order, provided that in the interim a conference of representatives of both knitters owning and not owning their spindles was held to reconsider the whole question adequately; further provided that if upon reconsideration it was decided that the stay should not have been granted, said knitters of underwear owning their own spindles would be required to curtail their operations in the second and third periods so that the total number of machine hours curtailed would be equivalent to the number of machine hours which would have been curtailed during all three periods had the stay not been granted; and further provided that during the period of the stay such knitters of underwear did not sell yarn in the market.

Administrative Order 1-80 (signed by the Division Administrator) of July 26, 1934, granted an exemption from the provisions of Order 1-60 of May 22, 1934, to the extent that all knitters of underwear, owning spindles and spinning yarn exclusively for their own use, for the four-week period beginning June 4, 1934, and for the eight-week period beginning July 2, 1934, were only to curtail their use of productive machinery from the maximum machine hours permitted by the Cotton Textile Code by the equivalent of one and one-half weeks' full time operation under said Code, or by 120 machine hours; provided that knitters of underwear, owning

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(*) See page 26 above.
(**) See page 26 above.
(***) See page 26 above.

spindles but not spinning yarn exclusively for their own use, would conform with the curtailment order of May 22, 1934, and if they had not conformed therewith during the first four-week period, in reliance on the stay granted by Order 1-72, they were to curtail their operations during the eight-week period beginning July 2, 1934, to such an extent that the total number of machine hours curtailed during such eight weeks would be equivalent to the number of machine hours which would have been curtailed during the entire twelve weeks had the stay not been granted.

Administrative Order 1-94 of October 19, 1934, certified that the proposed installation by the Southern Weaving Company of Greenville, South Carolina, of two multiple shuttle looms was consistent with effectuating the policy of the National Industrial Recovery Act, under the requirements of October 1, 1933.*

Administrative Order 1-96 (signed by the Division Administrator) of October 24, 1934, exempted the International Braid Company of Providence, Rhode Island, from the provisions of Section III of the Cotton Textile Code to the extent necessary to permit said applicant during a period of twelve weeks or such lesser period as such applicant might be subject to the Cotton Textile Code to operate a maximum of twelve looms three shifts of forty hours each per week in the production of venetian blind ladder tape.

Administrative Order 1-100 (signed by the Division Administrator) of January 15, 1935, exempted all looms engaged in the production of venetian blind ladder tape from the provisions of sub-section (c) of Section III of the Cotton Textile Code for a period of five months from the date of the order.

Administrative Order 1-101 of January 22, 1935, stayed the provisions of Section III, subsection (c), of the Cotton Textile Code, as to all parties subject thereto for a period of four months from January 22 to the extent of twenty-six jacquard looms in each plant in the industry when such looms were engaged in the production of jacquard woven bedspreads, provided that the total number of loom hours per week of all jacquard looms in a plant making jacquard woven bedspreads would not exceed the total number of loom hours per week permitted by said section of the code.

Administrative Order 1-103 (signed by the Division Administrator) of January 30, 1935, exempted the Clearwater Mill, Cedartown, Georgia (of the Goodyear Tire and Rubber Company), from the provisions of subsection (c) of Section III of the Cotton Textile Code to the extent necessary to permit said mill to operate a maximum of fifty-four looms three shifts of forty hours each per week in the production of chafer fabric for a period of thirty working days beginning and including January 30, 1935.

Administrative Order 1-110 of March 26, 1935, declared that an emergency existed in the Cotton Textile Industry and that action was necessary to effectuate an orderly readjustment and rehabilitation of

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(*) See page 16 above.

the industry during a period of twelve weeks from the date of the order. The Cotton Textile Industry Committee was therefore authorized and directed during the period of the emergency to determine on such temporary adjustments, as might be found necessary to effectuate the purpose of the Act, in the maximum hours of operation of productive machinery otherwise permitted by the code, or in the number of operating units of such productive machinery, in particular divisions or groups of the industry, provided that such adjustments did not require reductions exceeding 25 per cent in the hours of operation or in the maximum of such machines operating in such division or group within six months prior to the period of such reduction in the respective plants. During the period of any such temporary adjustment no productive machinery which had not been engaged within six months prior to the beginning of such period in the production of any division or group was to be transferred to or employed in such operation, except productive machinery contracted for at the beginning of such period or installed in the course thereof pursuant to the requirements of the N.R.A. concerning additional productive machinery. No such temporary adjustment was to be made applicable by the code authority to any plant operating productive machinery during such period on a single shift schedule, provided that such plant was in operation within six months prior to such period of temporary adjustment.

For the administration of the foregoing provisions of Order 1-110 there was to be appointed by the chairman of the Code Authority three members of a Research and Planning Committee none of whom was to be specially interested as an owner, employee or otherwise in any unit of the industry. The National Industrial Recovery Board was to select a technical adviser in the employ of the government to serve as a representative of the National Recovery Administration as a full member of said Research and Planning Committee. The Committee was to investigate the facts as to conditions in the industry, formulate proposed action, and to observe the effects of whatever action was taken under the provisions of this order. The Research and Planning Committee was to transmit its recommendations simultaneously to the code authority and to the National Industrial Recovery Board; the Code Authority was to exercise its powers under this order after and upon the basis of recommendations made by the Committee and was to notify the National Industrial Recovery Board of any proposed action, which action was to become effective not earlier than five days after such notification had been received, unless the Chairman, or other duly authorized representative of the National Industrial Recovery Board, notified the Code Authority in the meantime that such action was disapproved, or was disapproved unless modified, or was suspended. Any action taken by the Code Authority under this order, or the exercise of authority therein conferred, might at any time be revoked, or revoked unless modified, or suspended by the National Industrial Recovery Board.*

(*) Pursuant to the authority delegated to the Cotton Textile Code Authority by Order 1-110, temporary adjustments in the hours of operation of productive machinery were made for only three groups of the Cotton Textile Industry, as follows:
1. Carded Sales Yarn Group - For two four-weeks periods beginning April 1 and April 29, 1935, respectively, no manufacturer was to operate any spinning spindle in the production of any type of carded yarn for sale as such in excess of 240 hours for each hour-weeks period, or in excess of 180 hours for the three-weeks period beginning May 27, 1935. No spinning spindles which had not been
(footnote continued on following page)

Administrative Order 1-112 (signed by the Division Administrator) of April 12, 1935, granted an exemption to Monument Mills, Housatonic, Massachusetts, from the provisions of Section III (a) of the Cotton Textile Code to the extent necessary to permit employees in the hemming and scalloping department to be employed forty-eight hours per week, provided that time and one-third be paid for all hours in excess of forty per week, and that, since the exemption was granted because of lack of available workers, all duly qualified hemming or scalloping machine operators who applied for work were to be employed.

Administrative Order 113-A of April 26, 1935, was a telegram from the Division Administrator to Collingbourne Mills, Inc., Elgin, Illinois, granting the company an emergency exemption from the provisions of Section III of the Cotton Textile Code so that its thread department employees could work eight hours additional on April 27th, provided time and one-third was paid for said eight hours.

Administrative Order 1-114 (signed by the Division Administrator) of May 6, 1935, granted an exemption from April 15 to June 16, 1935, from the provisions of the determination of the Cotton Textile Code Authority for the Carded Sales Yarn Group,**dated March 26, 1935, pursuant to Administrative Order 1-110, to the Wilson Cotton Mills, Wilson, North Carolina, so that it was permitted to operate spinning spindles which had not been engaged in the manufacture of any type of carded cotton yarn for sale as such within six months prior to April 1, 1935.

(*) engaged in such production within six months prior to April 1 were to be transferred to or employed in the manufacture of such yarn for sale, except such as might have been contracted for prior to said periods or installed in the course thereof pursuant to N.R.A. requirements as to installation of additional productive machinery.
2. Wide Sheeting Group - During the period of eleven weeks beginning April 1, 1935, no manufacturer in the wide sheeting group (operating looms 45" or wider in the manufacture of fabrics for immediate or ultimate use for bed sheets or pillow cases) was to operate looms in such production in excess of 75 per cent of the total number of loom hours otherwise permissible for such looms. The same restriction concerning machinery not engaged in production for six months prior to April 1, 1935, was set for this group as for the Carded Sales Yarn Group.
3. Print Cloth Yarn Fabrics Group- The temporary reduction for this group was precisely the same as that for the Carded Sales Yarn Group, cited above, with this group defined to mean manufacturers of print cloth yarn fabrics known in the trade as narrow plain print cloths, wide plain print cloths, carded broadcloths and pajama checks, excluding fabrics known to the trade as shade cloths, tobacco cloths, medical gauze and fancy print cloths.

(**) See footnote on page 29 above.

The company was, however, to comply in all respects with the reduction in hours prescribed by said determination.

Administrative Order 1-115 (signed by the Division Administrator) of May 6, 1935, exempted the Mandeville Mills, Carrollton, Georgia, from the provisions of the determination of the Cotton Textile Code Authority for the Carded Sales Yarn Group, above referred to, * from April 15 to June 16, 1935, provided the total number of spindle hours operated by said mill during any of the periods specified in said determination did not exceed 75 per cent of the total number of spindle hours otherwise permitted by Section III of the Cotton Textile Code.

Administrative Orders 1-116, 1-117 and 1-118, all signed by the Division Administrator and dated May 6, 1935, exempted individual companies for varying periods from the provisions of the determination of the Cotton Textile Code Authority for the Carded Sales Yarn Group,** provided said companies did not operate any spinning spindle for more than two shifts of forty hours each per week as provided by Section III of the Cotton Textile Code. Administrative Orders 1-122 and 1-123, both signed by the Division Administrator and dated May 18, 1935, likewise exempted individual companies for varying periods from the Code Authority determination previously referred to and with the same proviso.

Administrative Order 1-120 (signed by the Division Administrator) of May 7, 1935, granted an exemption to the Bates Manufacturing Company, Lewiston, Maine, from the provisions of Section III (a) of the Cotton Textile Code so that 63 employees were allowed to work 410½ hours overtime during the week ending April 13, 1935, and 27 employees were allowed to work 186 hours overtime during the week ending April 20, 1935; provided that time and one-third was paid for all hours worked in excess of forty per week.

Administrative Order 1-121 of May 10, 1935, stayed the application of the provisions of Section III (c) of the Cotton Textile Code as to 26 jacquard looms in each plant from May 22 to June 16, 1935, when such looms were engaged in the production of jacquard woven bedspreads, provided that the total number of loom hours per week of all jacquard looms in a plant making jacquard woven bedspreads did not exceed the total number of loom hours per week permitted by said section of the code.

Administrative Order 1-121A of May 16, 1935, was a telegram signed by the Division Administrator granting an emergency exemption from the provisions of Section III (c) of the Cotton Textile Code to the Russell Manufacturing Company, Middletown, Connecticut, from May 17, to 26, 1935, to the extent that looms engaged in the production of patented webbing used by the International Tailoring Company might be operated three shifts of forty hours each per week.

(*) See footnote on page 29 above.
(**) See footnote on page 29 above.

CHAPTER V

Child Labor - Section IV

Section IV of the Cotton Textile Code, as originally approved on July 9, 1933, follows:

> "On and after the effective date, employers in the cotton textile industry shall not employ any minor under the age of 16 years."

This section remained unchanged and no exemptions were granted therefrom during the entire history of the Cotton Textile Code.

CHAPTER VI

Statistical Reports - Section V

Section V of the Cotton Textile Code, as originally approved on July 9, 1933, follows:

"With a view to keeping the President informed as to the observance or non-observance of this Code of Fair Competition, as to whether the cotton textile industry is taking appropriate steps to effectuate the declared policy of the National Industrial Recovery Act, each person engaged in the cotton textile industry will furnish duly certified reports in substance as follows and in such form as may hereafter be provided:

"(a) Wages and hours of labor. - Returns every four weeks showing actual hours worked by the various occupational groups of employees and minimum weekly rates of wage.

"(b) Machinery data. - In the case of mills having no looms, returns should be made every four weeks showing the number of spinning spindles in place, the number of spinning spindles actually operating each week, the number of shifts, and the total number of spindle hours each week. In the case of mills having no spinning spindles, returns every four weeks showing the number of looms in place, the number of looms actually operated each week, the number of shifts and the total number of loom hours each week. In the case of mills that have spinning spindles and looms, returns every four weeks showing the number of spinning spindles and looms in place; the number of spinning spindles and looms actually operated each week, the number of shifts, and the total number of spindle hours and loom hours each week.

"(c) Reports of production, stocks, and orders. - Weekly returns showing production in terms of the commonly used unit, i.e., linear yards, or pounds or pieces; stocks on hand both sold and unsold stated in the same terms and unfilled orders stated also in the same terms. These returns are to be confined to staple constructions and broad divisions of cotton textiles. The Cotton Textile Institute, Inc., 320 Broadway, New York City, is constituted the agency to collect and receive such reports."

Office Order 34, dated September 12, 1933, and Executive Order 6479 of December 7, 1933, prescribed that all codes, both previously and thereafter approved, be modified to require that all persons subject to a code furnish such statistical information as the Administrator might deem necessary for the purpose recited in Section 3(a) of the Act. Administrative Order X-10 of March 16, 1934, required all persons subject to codes to furnish from time to time such reports concerning payrolls, employees and man-hours worked, upon forms approved by the Administrator as might be requested by the Bureau of Labor Statistics and Federal and State agencies working in cooperation therewith. The identity of the firm or individual supplying such information was

not to be disclosed.

Administrative Order 1-24 of December 2, 1933, provided that members of the industry were to furnish to the Cotton Textile Institute, Inc., as the agency for collecting the same, "such additional statistical data with respect to looms in operation, loom hours, spindles in operation and spindle hours, classified by the broad divisions and staple constructions of products of the Cotton Textile Industry and also such additional data as to numbers of persons and amount of payrolls on a weekly or other basis as the code authority" might"require for the administration of the code and the performance of its duties thereunder."

Administrative Order 1-25 of December 2, 1933, was as follows:

"1. Each member of the finishing branch of the Cotton Textile Industry, whether job finisher, corporation finisher, or mill finisher, shall furnish to the Cotton Textile Institute, Inc., or to the National Association of Finishers of Textile Fabrics, both of New York City, New York, as may be determined by the Code Authority, set up by the Cotton Textile Industry Code, the statistical reports, data and information relating to finishing operations, as hereinafter described or with such modifications as to periods for filing and detail of reports as may be prescribed by the Code Authority. Compiled summaries of said statistical reports shall be distributed by said Association to the members of the finishing industry, at such time or times and in such form and manner as may be designated by the Sub-Committee on Finishing of the Code Authority. The statistics, data and information so furnished or obtained shall be treated as confidential, and neither the whole nor any part thereof shall be disclosed or published, except in so far as the figures, data and information therein conatined form a part of said compiled summaries.

In so far as required by the Administrator, such statistical reports, data and information shall be available to the National Recovery Administration.

"2. Each member of the finishing industry shall certify his said reports, data and information, when and as requested by said Sub-Committee on Finishing. All reports, data and information furnished in pursuance to the requirements of these recommendations shall be subject to verification, as said Sub-Committee may determine, and the books and records of members furnishing any such reports, data or information, shall, for the purpose of any such verification, be open to examination by a competent and disinterested person or persons, appointed by said Sub-Committee on Finishing, at such reasonable time or times as may be designated by said Sub-Committee. If it should appear that any of said reports, data or information were wilfully made inaccurate, or were not filed when and as required by these recommendations, without adequate reason for

such delay, the expense of such examination shall be paid by the member so in default.

"3. Returns shall be made every four weeks by each member of the finishing industry showing:

(a) Machinery data. - The number of each type of productive machines:

(1) In place;
(2) Actually operated each week;
(3) The number of shifts operated each week;
(4) The total number of productive machine hours operated each week.

(b) Production; Stocks. - Weekly returns showing production in terms of the commonly used unit, i.e, linear yards, or pounds or pieces; stocks on hand both sold and unsold stated in the same terms and unfilled orders stated also in the same terms. These returns are to be confined to staple constructions and broad divisions.

(c) Credit Information. - Reports of delirquent accounts for finishing charges and collection percentages, which information shall be available to all members of the industry.

"4. Each member of the finishing industry, immediately after the date of approval of these recommendations, shall file, as above provided, a list of all his charges for extra services and materials, and a statement of all his outstanding and active quotations for finishing, including the names of customers, description of work, yardage, terms, discounts, allowances and all conditions directly or indirectly affecting such transactions. Thereafter, each finisher shall, from day to day, when and as made, except as hereinafter provided, so file a report of every quotation made for finishing services, whether verbal or written, including said details. The information concerning saud rates and quotations, except names of customers, shall be distributed by said Association to the members of the Finishing Industry."

Administrative Order 1-35 of January 15, 1934, provided that the inventory of productive machinery in place and under contract, required by the supplementary provisions of the Cotton Textile Code effective October 1, 1933, was to be stated as to the finishing, thread manufacturing and yarn mercerizing branches of the industry as of November 13, 1933, the time at which such supplementary provisions became applicable to those branches by amendments to the code. The order also provided that the monthly reports, required to be filed by the same three branches of the industry were to cover periods beginning December 1, 1933, instead of October 1, 1933.

Administrative Order 1-36 of January 15, 1934, was as follows:

"1. Every manufacturer of cotton thread as defined by the Code of Fair Competition for the Cotton Textile Industry as amended and approved November 8, 1933, shall furnish to the Cotton Textile Institute, Inc. subject to the disposition of the Cotton Textile Industry Committee, the Code Authority, the statistical reports, data and information relating to cotton thread manufacturing operations as hereinafter described or with such modifications as to periods for filing and details of reports as may be prescribed by the Code Authority. All data furnished in such reports shall be held in strict confidence except as the Administrator may otherwise require, and except that compiled summaries of the information furnished by such reports may be distributed to the members of the Cotton Thread Manufacturing Branch of the Industry at such times and in such manner as the Sub-Committee on Thread may designate.

"2. All reports, data and information shall be duly certified when and as requested by the Sub-Committee on Thread.

"3. Returns shall be made every four weeks by each member of the Cotton Thread Manufacturing Branch of the Industry showing:

(a) Machinery data. - The number of spindles of each type of productive machine:

(1) In place;
(2) Actually operated each week;
(3) The number of shifts operated each week;
(4) The total number of productive machine spindle hours operated each week.

(b) Production, Stocks and Orders. - The total production in terms of the commonly used unit, i.e., linear yards or pounds or pieces during each four weeks' period; stocks on hand both sold and unsold stated in the same terms, and unfilled orders stated also in the same terms, all as of the last day of each aforesaid four weeks' period."

CHAPTER VII

The Code Authority - Section VI

Section VI of the Cotton Textile Code, as originally approved on July 9, 1933, was as follows:

"To further effectuate the policies of the Act, the Cotton Textile Industry Committee, the applicants herein, or such successor committee or committees as may hereafter be constituted by the action of the Cotton Textile Institute, the American Cotton Manufacturers Association, and the National Association of Cotton Manufacturers, is set up to cooperate with the Administrator as a planning and fair practice agency for the cotton textile industry. Such agency may from time to time present to the Administrator recommendations based on conditions in the industry as they may develop from time to time which will tend to effectuate the operation of the provisions of this Code and the policy of the National Industrial Recovery Act, and in particular along the following lines:

"1. Recommendations as to the requirements by the Administrator of such further reports from persons engaged in the cotton textile industry of statistical information and keeping of uniform accounts as may be required to secure the proper observance of the code and promote the proper balancing of production and consumption and the stabilization of the industry and employment.

"2. Recommendations for the setting up of a service bureau for engineering, accounting, credit, and other purposes to aid the smaller mills in meeting the conditions of the emergency and the requirements of this code.

"3. Recommendations (1) for the requirement by the Administrator of registration by persons engaged in the cotton textile industry of their productive machinery, (2) for the requirement by the Administrator that prior to the installation of additional productive machinery by persons engaged or engaging in the cotton textile industry, except for the replacement of a similar number of existing looms or spindles or to bring the operation of existing productive machinery into balance, such persons shall secure certificates that such installation will be consistent with effectuating the policy of the National Industrial Recovery Act during the period of the emergency, and (3) for the granting or withholding by the Administrator of such certificates if so required by him.

"4. Recommendations for changes in, or exemptions from the provisions of this code as to the working hours of machinery which will tend to preserve a balance of productive activity with consumption requirements, so that the interests of the industry and the public may be properly served.

"5. Recommendations for the making of requirements by the Administrator as to practices by persons engaged in the cotton textile industry as to methods and conditions of trading, the naming and reporting of prices which may be appropriate to avoid discrimination, to promote the stabilization of the industry, to prevent and eliminate unfair and destructive competitive prices and practices.

"6. Recommendations for regulating the disposal of distress merchandise in a way to secure the protection of the owners and to promote sound and stable conditions in the industry.

"7. Recommendations as to the making available to the suppliers of credit to those engaged in the industry of information regarding terms of, and actual functioning of any or all of the provisions of the code, the conditions of the industry and regarding the operations of any and all of the members of the industry covered by such code to the end that during the period of emergency available credit may be adapted to the needs of such industry considered as a whole and to the needs of the small as well as to the large units.

"8. Recommendations for dealing with any inequalities that may otherwise arise to endanger the stability of the industry and of production and employment.

"Such recommendations, when approved by the Administrator, shall have the same force and effect as any other provisions of this code.

"Such agency is also set up to cooperate with the Administrator in making investigations as to the functioning and observance of any of the provisions of this Code, at its own instance or on complaint by any person affected, and to report the same to the Administrator.

"Such agency is also set up for the purpose of investigating and informing the Administrator on behalf of the Cotton Textile Industry as to the importation of competitive articles into the United States in substantial quantities or increasing ratio to domestic production on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of this code and as an agency for making complaint to the President on behalf of the Cotton Textile Industry,

under the provisions of the National Industrial Recovery Act, with respect thereto."

The President's order of approval added to the functions of the "Planning Committee" of the industry the responsibility of considering the question of plans for eventual employee ownership of homes in mill villages and making a report thereon to the N.R.A. prior to January 1, 1934.*

The first amendment to Section VI was approved by the President on August 25, 1933, and was as follows:

> "That in the first sentence of Section VI of said Code the word 'and' be omitted before the words 'the National Association of Cotton Manufacturers' and that there be inserted after those words 'and the National Rayon Weavers' Association,' so that the completed sentence shall read as follows:
>
> > 'To further effectuate the policies of the Act, the Cotton Textile Industry Committee, the applicant herein, or such successor committee or committees as may hereafter be constituted by the action of the Cotton Textile Institute, the American Cotton Manufacturers Association, the National Association of Cotton Manufacturers, and the National Rayon Weavers' Association, is set up to cooperate with the Administrator as a Planning and Fair Practice Agency for the Cotton Textile Industry.'"

The requirements approved by the Administrator, effective October 1, 1933, designated the Cotton Textile Industry Committee to examine into and make recommendations to the Administrator concerning applications for certificates for installation of productive machinery.**

Administrative Order 1-23 effective December 2, 1933, provided that the Code Authority with the concurrence of the government representatives thereon might require a temporary shortening of hours of machine operation within any group of the Cotton Textile Industry for periods of not more than ninety days.***

Administrative Order 1-53 of April 9,1934, delegated to the Plant Extension Sub-Committee of the Cotton Textile Industry Committee the right to examine into applications for, and to issue, certificates for the installation of additional productive machinery, pursuant to

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* This was incorporated as Section XI of the Code as finally approved July 16, 1933. See page 45 below.

** For fuller discussion of this order, see page 17 above.

*** See also page 19 above for discussion of this order.

the supplementary provisions of the code effective October 1, 1933,* in cases where application for such certificates was made for the installation of productive machinery which (a) was, prior to such installation, registered pursuant to the aforementioned supplementary provisions, or (b) was, prior to such installation, the subject of a certificate issued pursuant to the said supplementary provisions; provided that any such application which was denied by said Sub-Committee was to be transferred to the Administrator for final action at the request of the applicant.

Administrative Order 1-93 of October 12, 1934, delegated, until further order, to the Plant Extension Sub-Committee for the Finishing Branch of the Cotton Textile Industry the right to examine into applications for, and to issue, certificates for the installation of additional productive machinery pursuant to the supplementary provisions of the code effective October 1, 1933, in so far as such right relates to the installation of finishing machinery and equipment, in cases where application for such certificates was made for the installation of machinery which had been registered or had been the subject of a certificate prior thereto. Any application which was denied by said Sub-Committee was, at the request of the applicant, to be transmitted to the National Industrial Recovery Board for final action. Administrative Order 1-53 of April 9, 1934, was rescinded only in so far as its provisions were inconsistent with the foregoing provisions of Order 1-93.

Office Order 51 of December 27, 1933, provided that no code authority was to bring a suit to enforce a code without prior approval of NRA and that any litigation against a code authority was to be reported promptly to NRA.

Administrative Order 1-55-A was a letter addressed by the Division Administrator on May 5, 1934, to the President of the Cotton Textile Institute, authorizing the Cotton Textile Industry Committee, or any other fair trade practice agency designated by said committee, to handle trade practice complaints in the first instance under the Cotton Textile Code. Under this authorization the committee might receive such complaints for adjustment in the first instance without previous reference to the NRA State Compliance Director or to any other NRA compliance agency, but no complainant was prevented from appealing to the NRA at any time. The committee was required to make weekly reports to the Administrator setting forth the number of complaints filed with it, the number of complaints adjusted, and the number of complaints unadjusted within each weekly period, classified as to the type of complaints.

Administrative Order X-29 of May 12, 1934, provided that all code authorities and industrial adjustment agencies theretofore authorized to handle a particular type of complaint in the first instance were thereby officially authorized to handle such complaints.

Executive Order 6711, dated May 15, 1934, prescribed that no employer subject to a code was to dismiss or demote any employee for

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* See page 17 above.

making a complaint or giving evidence with respect to an alleged violation of the provisions of any code.

Administrative Order 1-86 of August 29, 1934, authorized the Cotton Textile Industry Committee, or any sub-committee appointed by it for the purpose, to make available to the Reconstruction Finance Corporation, and to such other governmental agencies as were authorized by law to supply credit to members of the Cotton Textile Industry, "information regarding terms of, and actual functioning of any or all of the provisions of the code, the conditions of the industry, together with such other matter pertinent to the supplying of credit to the industry as such committee" might deem appropriate. All information thus made available was, at the same time, to be made available to the NRA.

(Provisions for the collection of code administration expenses were never incorporated in the Cotton Textile Code, such expenses being borne by the Cotton Textile Institute, the American Cotton Manufacturers Association, the National Association of Cotton Manufacturers, and the National Rayon Weavers' Association, representatives of which associations comprised the Cotton Textile Industry Committee. For a discussion of the various Executive and Administrative Orders concerning budgets and assessments, see The Content of NIRA Administrative Legislation, Part A, Executive and Administrative Orders, Chapter XXV.)

CHAPTER VIII

Adjustment of Contracts Costs - Section VII

Section VII of the Cotton Textile Code, as originally approved on July 9, 1933, follows:

> "Where the costs of executing contracts entered into in the Cotton Textile Industry prior to the presentation to Congress of the National Industrial Recovery Act are increased by the application of the provisions of that Act to the industry, it is equitable and promotive of the purposes of the Act that appropriate adjustments of such contracts to reflect such increased costs be arrived at by arbitral proceedings or otherwise, and the Cotton Textile Industry Committee, the applicant for this code, is constituted an agency to assist in effecting such adjustments."

No change of any kind was made in this section of the code during its life.

CHAPTER IX

Mandatory Provisions of the Act - Sections VIII and IX.

Section VIII of the Cotton Textile Code, which set forth the mandatory provisions of Section 7(a) of the Act and remained unchanged during the lifetime of the code, was as follows:

> "Employers in the Cotton Textile Industry shall comply with the requirements of the National Industrial Recovery Act as follows: '(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.'"

Section IX of the Cotton Textile Code embodied the mandatory provisions of Section 10(b) of the Act, remained unchanged throughout the life of the code, and was as follows:

> "This code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provision of Clause 10(b) of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation, issued under Title I of said Act, and specifically to the right of the President to cancel or modify his approval of this code or any conditions imposed by him upon his approval thereof."

CHAPTER X

Modification of Code - Section X.

Section X of the Cotton Textile Code remained unchanged throughout the lifetime of the code and was as follows:

> "Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated as changes in circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code or additional codes will be submitted for the approval of the President to prevent unfair competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions hereof."

CHAPTER XI

Ownership of Mill Village Homes --Section XI.

Section XI of the Cotton Textile Code was a revision of one of the conditions in the President's original order of approval of July 9,1933, became a part of the code as finally approved July 16, 1933, was never modified and was as follows:

> "It shall be one of the functions of the Planning and Fair Practice Agency provided for in Section VI of the Code to consider the question of plans for eventual employee ownership of homes in mill villages and submit to the Recovery Administration prior to January 1, 1934, its report in the matter."

CHAPTER XII

Office Employees - Section XII

The condition in the President's order of approval of the Cotton Textile Code, dated July 9, 1933, "that office employees be included within the benefits of the code" was apparently interpreted by the industry committee as referring only to hours of labor for such employees. At all events, the following, suggested by the industry committee, was incorporated as Section XII in the code as finally approved by the President on July 16, 1933:

> "On and after July 31, 1933, the maximum hours of labor for office employees in the Cotton Textile Industry shall be an average of forty hours a week over each period of six months."

CHAPTER XIII

Wage Differentials - Section XIII

One of the conditions in the President's order of approval of the Cotton Textile Code of July 9, 1933, was that "the existing amounts by which wages in the higher-paid classes, up to workers receiving $30 per week, exceed wages in the lowest paid class, shall be maintained". The industry committee proposed the following wording for this condition which was accepted by the President and incorporated as Section XIII of the code as finally approved on July 16, 1933:

> " The amount of differences existing prior to July 17, 1933, between the wage rates paid various classes of employees (receiving more than the established minimum wage) shall not be decreased -- in no event, however, shall any employer pay any employee a wage rate which will yield a less wage for a work week of 40 hours than such employee was receiving for the same class of work for the longer week of 48 hours or more prevailing prior to July 17, 1933. It shall be a function of the Planning and Fair Practice Agency provided for in Section VI of the Code to observe the operation of these provisions and recommend such further provisions as experience may indicate to be appropriate to effectuate their purposes."

On November 8, 1933, the phrase "classified according to occupations" was added after the phrase "between the wage rates paid various classes" in Section XIII by an amendment approved by the President.

Administrative Order 1-88 (signed by the Division Administrator) of August 31, 1934, ruled that the term "wage" as used in Section XIII of the Cotton Textile Code "meant the total compensation received for the class of work performed by the employee"; further, the week immediately prior to July 17, 1933, was to be used in determining the wage to be received for the longer work week. Therefore, as stated in the order, it was incumbent upon a certain mill subject to the code which gave all its employees a bonus of 10 percent for each of two weeks prior to July 17, 1933, to include such bonus in its calculation of the wage for the work week of 40 hours prescribed by the code - in other words, the mill, which was on a 54-hour week prior to the code, was compelled to raise its wages 35 percent on the basis of its previous wage rate plus the bonus of 10 percent, above referred to.

CHAPTER XIV

Maximum Hours - Repair Shop Crews, etc. - Section XIV.

One of the conditions in the President's order of approval of the Cotton Textile Code, dated July 9, 1933, was that time and one-half be paid for overtime to repair shop crews, engineers, electricians and watching crews because of their exception from the maximum hours provision. The industry committee suggested in lieu thereof the following, which was accepted by the President on July 16, 1933, and incorporated as Section XIV in the code as finally approved:

> "On and after the effective date the maximum hours of labor of repair shop crews, engineers, electricians and watching crews in the Cotton Textile Industry shall, except in case of emergency work, be forty hours a week with a tolerance of 10 percent. Any emergency time in any mill shall be reported monthly to the Planning and Fair Practice Agency provided for in Section VI of the Code, through the Cotton Textile Institute."

This section of the code remained unmodified throughout its lifetime, and no exemptions were granted therefrom.

CHAPTER XV

Work Assignment - Sections XV and XVII

The condition concerning "stretch-outs" in the Executive Order of approval of the Cotton Textile Code, dated July 9, 1933, slightly revised by the industry committee, was incorporated as Section XV in the code as finally approved on July 16, 1933:

> "Until adoption of further provisions of this code that may prove necessary to prevent any improper speeding up of work (stretch-outs), no employee of any mill in the Cotton Textile Industry shall be required to do any work in excess of the practices as to the class of work of such employee prevailing on July 1, 1933, or prior to the Share-the-Work-Movement, unless such increase is submitted to and approved by the agency created by Section 6 of the code and by the National Recovery Administration."

Administrative Order 1-16 of August 8, 1933, approved the following amendment to the code, which was incorporated as Section XVII thereof, superseding Section XV, above:

> "To make proper provision with regard to the stretch-out (or specialization) system or any other problem of working conditions in the Cotton Textile Industry, it is provided:
>
> "1. There shall be constituted by appointment of the Administrator a Cotton Textile National Industrial Relations Board, to be composed of three members, one to be nominated by the Cotton Textile Industry Committee to represent the employers, one to be nominated by the Labor Advisory Board of the National Recovery Administration to represent the employees, and a third to be selected by the Administrator. This National Board shall be provided by the National Recovery Administration with a per diem for actual days engaged in its work and with such secretarial and expert technical assistance as it may require in the performance of its duties.
>
> "2. The Administrator, upon the nomination of the Cotton Textile National Industrial Relations Board shall appoint in each state in which the cotton textile industry operates a State Cotton Textile Industrial Relations Board composed of three members, one of whom shall be selected from the employers of the cotton textile industry, one from the employees of the cotton textile industry, and a third to represent the public.
>
> "3. Whenever, in any cotton textile mill, a controversy shall arise between employer and employees as to the stretch-out (or specialization) system or any other problem of working conditions, the employer and the employees may establish in such mill an Industrial Relations Committee chosen from the management and the employees of the mill and on which the

employer and the employees shall have equal representation of not more than three representatives each. If such a committee is not otherwise established, the employer or the employee, or both, may apply to the State Industrial Relations Board for assistance and cooperation in the establishment in such mill of such industrial relations committee. The term of service of each such mill committee shall be limited to the adjustment of such controversy or problem of working conditions for the adjustment of which the committee was created.

"If the representatives of the employers and of the employees in such industrial relations committee are unable to arrive at an agreement and united action with respect to such differences of opinion, the representatives of the employers or the employees, or both, may appeal to the State Industrial Relations Board for cooperation and assistance in arriving at an agreement and united action.

"It shall be the duty of such Industrial Relations Committee to endeavor to adjust such controversy. In cases where such committee reaches agreement with respect to any such controversy, such agreement shall be final except that it shall be submitted to the Cotton Textile National Industrial Relations Board for review and approval under such regulations as such National Board may establish.

"This provision for such industrial relations committee within the particular mills shall be without prejudice to the freedom of association of employees and the other provisions of Section 7, of the Industrial Recovery Act.

"4. It shall be the duty of the State Industrial Relations Board, where their assistance is requested, as provided in subsection 3, to cooperate with employers and employees in organizing industrial-relations committees in individual cotton textile mills and to cooperate with such committees in the development of conference procedures and in the adjustment of differences of opinion with respect to the operation or introduction of the stretch-out system and other problems of working conditions.

"In the event that the State Industrial Relations Board is unable to bring about agreement and united action of labor and management in a controversy so appealed to it, such State Industrial Relations Board shall present the controversy to the National Industrial Relations Board for hearing and final adjustment.

"5. The National Industrial Relations Board shall hear and finally determine all such questions brought before it on appeal by the State Industrial Relations Boards and certify its decisions to the Administrator and shall have authority to codify the experience of the industrial-relations committee

of the various mills and state boards with a view to establishing standards of general practice with respect to the stretch-out (or specialization) system or other problems of working conditions."

Administrative Order 1-75 of July 10, 1934, approved an amendment to Section XVII which changed the first (unnumbered) paragraph of that section by adding after the phrase "To make proper provisions with regard to" the following:

"any problem of working conditions in the Cotton Textile Industry, including but without limitation all claims and complaints of discrimination, representation, incorrect entries on pay envelopes, unwarranted reductions in classification, increased stretch-out, alleged violations of Section 7 (a) of the Industrial Recovery Act, and all other alleged violations of code provisions affecting relations between employers and employees,..."

The same phraseology was added to the paragraph numbered 3 in lieu of the phrase "as to the stretch-out (or specialization) system or any other problem of working conditions."

The amendment of July 10, 1934, also increased the membership of the Cotton Textile National Industrial Relations Board (set forth in paragraph 1) to five, "two to be nominated by the Cotton Textile Industry Committee to represent the employers, two, at least one of whom shall be from the employees of the Cotton Textile Industry, to be nominated by the Labor Advisory Board of the National Recovery Administration to represent the employees, and a fifth to be selected by the Administrator". Further, this amendment clarified the last paragraph of the section numbered 3 by stating that the provision for industrial relations committees was to be "so construed as to permit the employees freely to choose their own representatives in full compliance with the provisions of Section 7 (a) of the Industrial Recovery Act."

Executive Order 6840 of September 5, 1934, created in connection with the Department of Labor under authority of Public Resolution 44 of the 73rd Congress the Board of Inquiry for the Cotton Textile Industry to inquire into the general character and extent of the complaints of the workers and the problems confronting the employers in the cotton textile, wool, rayon, silk and allied industries, and to consider ways and means of meeting said problems and complaints.

Executive Order 6858 of September 26, 1934, created the Textile Labor Relations Board, composed of three Special Commissioners appointed by the President, under authority of Public Resolution 44 of the 73rd Congress in connection with the Department of Labor. The Board was authorized to investigate, hold hearings and make findings of fact as to any alleged violation of Section 7 (a) of the Act, and to refer such findings to proper governmental agencies for appropriate action; and with respect to codes for the cotton textile, silk textile and wool textile industries, to investigate, hold hearings and make findings of fact as to any alleged violations of said codes with respect to hours of work, rates of pay or other conditions of employment and to refer

such findings to the proper agencies for appropriate action. Appeals on questions of law in cases involving Section 7 (a) of the Act or parts of codes might be taken from the Textile Labor Relations Board to the National Labor Relations Board in cases in which (1) the Textile Labor Relations Board recommended review, (2) difference of opinion existed in the Board, or (3) the National Labor Relations Board deemed review would serve the public interest. This Executive Order also abolished the Cotton Textile National Industrial Relations Board, the Textile National Industrial Relations Board and the Board of Inquiry for the Cotton Textile Industry.

An amendment of the Cotton Textile Code, approved October 16, 1934, by the President, repealed Section XVII of the code and substituted the following therefor:

"(1) The Textile Labor Relations Board shall appoint a Cotton Textile Work Assignment Board, to be composed of an impartial chairman, one representative of the employers subject to the Code of Fair Competition for the Cotton Textile Industry, and one representative of the employees in that Industry.

"(2) In order to provide opportunity to develope a sound method and adequate organization for the regulation of work assignments, no employer prior to February 1, 1935, shall make any change in work assignment of any class of employees which shall increase the effort required over that prevailing on September 21, 1934.

"During this period the number of looms, frames or other machines required to be tended by any class of employees shall not be increased where the character of the raw materials, yarn, construction of cloth, preparatory processes, type of equipment used, or character of finish or put-up, is not changed. Where such changes do occur the number of machines tended by such employees may be increased or decreased in such manner as will not increase the amount of effort required of the worker.

"Where, during the period above referred to, a mill resumes the manufacture of any specific product which it has made within six months prior to September 21, 1934, and where the conditions of manufacture enumerated in the preceding paragraph are not changed, then the work load formerly used on such product shall be the guide in determining the proper work assignment.

"Where, on September 21, 1934, a new style of yarn or cloth or any other new type of product was in course of introduction or is thereafter during the period above referred to introduced into a mill or finishing plant, a tentative work load may be established during the period of determining a proper work load in accordance with the foregoing principles.

"(3) Prior to February 1, 1935, on petition of any employee or employer affected, or his representative, or on its own motion, the Cotton Textile Work Assignment Board may investigate any work assignment which has been increased since July 1, 1933, at any mill and the mill shall show the reasons for such increase. If after hearing the Board finds such assignment requires excessive effort it may require its reduction accordingly.

"(4) The Cotton Textile Work Assignment Board shall have authority to appoint district impartial chairmen and such other agents as it may select and to issue rules and regulations to carry out the foregoing provisions of this Section.

"(5) The Cotton Textile Work Assignment Board shall, subject to instructions of the President, make a study of actual operations in representative plants and report to the President as to a permanent plan for regulation of work assignments in the Industry."

Executive Order 6878 (1-93 B) of October 16, 1934, provided that the Textile Labor Relations Board was to appoint a single individual as common chairman of the Cotton Textile, Silk Textile and Wool Textile Work Assignment Boards, and that all general rules and regulations involving products manufactured under more than one of the above codes were to be observed jointly by the work assignment boards for those codes. The work assignment boards were to study the actual operation of the stretch-out system in a number of representative plants and were to submit to the President before January 1, 1935, recommendations for a permanent plan for regulation of work assignments in the respective industries embodying, unless good cause was shown to the contrary, the following principles:

(a) No employer was to increase work assignments of any class of work until he had secured authorization therefor from the district impartial chairman, who was not to authorize extensions of work assignments unless

(1) The employer had filed with the district impartial chairman and with the representatives of the employees affected a petition for authorization of extension of work assignments, with a sworn statement indicating the conditions which had been established at the mill as the basis for extension.
(2) A period of six weeks had elapsed since the filing of the petition.
(3) Either the representatives of labor affected had not filed a protest to the proposed extension before the end of the six-weeks' period or, if such protest had been filed, there had been a public hearing, with such investigation as the district impartial chairman might deem advisable, and the conditions found justified the extension.

(b) The district impartial chairman, on petition by the representatives of any employees affected, was to investigate the justifiability of existing labor assignments and, if he found any assignment involving

excessive efforts by the workers, he was to require the employer to reduce such assignment.

(c) Decisions of the district chairman rendered under the above provisions were to be subject to appeal to the Textile Work Assignment Board, whose decision was to be final.

Executive Order 6930 (1-1C2 A) of December 27, 1934, provided that the Cotton, Silk and Wool Textile Work Assignment Boards would not be required to present recommendations for regulation of work assignments before January 1, 1935, as required by Executive Order 6878, (*) but were to present such recommendations within a reasonable time after January 1, 1935, and in the meantime were to make monthly reports of their activities and progress to the Secretary of Labor.

An amendment to the Cotton Textile Code approved January 31, 1935, changed the words "February 1, 1935" in subsections (2) and (3) of Section XVII, as previously amended October 16, 1934 (**) to "one month after the report to the President as to a permanent plan for regulation of work assignments in the industry as provided in subsection (5) hereof."

(*) See page 53 above.

(**) See page 52 above.

CHAPTER XVI

Length of Operation of Code - Section XVI.

The President's order of approval of July 9, 1933, stated that the approval was limited to a four months' period with the right to ask for modification at any time and for renewal for another four months at any time before its expiration. In lieu of that condition, the industry committee suggested the following which was approved by the President and incorporated as Section XVI in the code as of July 16, 1933:

> "This code shall be in operation on and after the effective date as to the whole cotton textile industry except as an exemption from or a stay of the application of its provisions may be granted by the Administrator to a person applying for the same or except as provided in an executive order. No distinction shall be made in such exemptions between persons who have and have not joined in applying for the approval of this Code."

This section of the code remained unmodified during its lifetime.

CHAPTER XVII

Synthetic Fiber Production - Section XVIII.

An amendment to the Cotton Textile Code approved by the President on August 25, 1933, among other things provided that the following should be added to the code as Section XVIII:

> "Any manufacturer operating silk looms known to the trade as a silk manufacturer and so listed in the trade directories may elect not to be bound by any of the provisions of this Code with respect to its synthetic fiber production as herein defined above, provided, that notice of such decision by such manufacturer shall be filed in writing with the Cotton-Textile Institute, Inc. at its office at 320 Broadway, New York, N. Y., not later than 6:00 P.M. Eastern Standard Time, on the tenth day following the approval of this paragraph."

This section of the code remained unchanged throughout its lifetime.

CHAPTER XVIII

Supplementary and Divisional Codes.

A. Carded Cotton Yarn.

On December 29, 1933, the Administrator approved an amendment to the Cotton Textile Code which added thereto trade practices governing the merchandising of carded cotton yarn. These trade practices were subsequently amended on February 21, 1934, and January 22, and April 23, 1935. Appendix I sets forth these fair trade practices with the amendments thereto interspersed among the affected sections. (See page 81)

B. Cotton Converting Industry.

A code supplementary to the code for the Cotton Textile Industry was approved for the Cotton Converting Industry on January 24, 1934, which supplementary code was amended on December 27, 1934. Appendix II sets forth this supplementary code with the changes made by the amendment of December 27, 1934, interspersed among the affected sections. (See page 86)

C. Cotton Thread Manufacturing.

An amendment to the Cotton Textile Code approved July 17, 1934, added thereto fair trade practices governing merchandising of the products of the cotton thread manufacturing branch, which fair trade practices were amended on September 11, 1934 and March 2, 1935. Appendix III sets forth these fair trade practices with the amendments thereto interspersed among the affected sections. (See page 102)

APPENDIX I.

Trade Practices Governing the Merchandising of

Carded Cotton Yarn

As Approved on December 29, 1933.

"1. Definitions.

"(a) 'Spinning mill' is any manufacturer spinning carded cotton yarn to be sold as such, whether selling with or without the employment of a selling agent.

"(b) 'Selling agent' is any person, whether known as a commission house, yarn merchant or otherwise, who sells carded cotton yarn in the relation of an agent for a spinning mill, who receives a commission for his services, assumes the obligation of effecting sales in the interest of the spinning mill and guarantees the account of the purchaser, the mill being the principal in all transactions and being furnished with the names of all prospective purchasers when sales negotiations are opened, the guarantee of performance of the contract being a matter for special agreement between the spinning mill and the selling agent. (*)

"(c) 'Commission' is the sum paid or allowed to an agent for his services to a spinning mill in the sale of carded cotton yarn.

"(d) 'Broker' is one who brings together spinning mills and purchasers and receives, on each transaction which the mill completes by delivery, a brokerage fee on the price of the order, but does not guarantee the account.

"(e) 'Purchaser' is anyone who buys carded cotton yarn for his own account or for that of an affiliate or subsidiary or parent organi-

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(*) The following sentence was added to this section by an amendment approved January 22, 1935:

> "Where the performance of the contract is guaranteed by the selling agent, however, it is not obligatory upon the selling agent to furnish the spinning mill with the name of the prospective customer."

zation. (*)

"2. Spinning mills shall furnish duly certified reports each week to the Statistical Bureau of The Cotton-Textile Institute, Inc., 320 Broadway, New York City, of all sales of carded cotton yarn during the week immediately prior (except sales made through selling agents), stating same by date of order, quantity and description of yarn, delivery specifications, price to be paid, and terms of sale. Selling agents shall file similar reports as to all sales made on behalf of spinning mills. (**) Statistical reports shall be issued weekly be the Institute to all spinners and selling agents summarizing such statistical

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(*) The following sections were added by an amendment approved February 21, 1934:

> "(f) 'Export Sales' are sales of carded yarn destined for shipment as carded yarn to any foreign country (including the Philippine Islands, the Virgin Islands, American Samoa and the Island of Guam).
>
> "(g) 'Exporter' is a spinning mill, selling agent, purchaser or any other person engaged in the business of selling carded yarns to purchasers located in foreign countries.
>
> "(h) 'Registered Exporter' is an exporter of carded yarn who shall be registered as such with The Cotton Textile Institute, Inc., 320 Broadway, New York City. The Institute shall from time to time cause to be filed with the Cotton Textile Industry Committee lists of such registered exporters."

(**) The following sentence was added by an amendment approved February 21, 1934:

> "Spinning mills and selling agents shall separately report to the Institute all export sales giving, as to each export sale, the name of the exporter."

received. (*)

"3. No spinning mill, selling directly, shall make any price to a purchaser or any allowance to a purchaser in the guise of commission, brokerage, dealer's discount or fee, either directly or indirectly, or by any secret rebate, advantage, inducement, compensation, gift or otherwise, by which any purchaser shall, in effect, pay less price than the price which such spinning mill would quote if dealing through selling agents. Commission shall be paid only to bona fide selling agents registered as such with The Cotton-Textile Institute, Inc.

"4. No selling agent shall, directly or indirectly, by way of commission, discount, fee, secret rebate, advantage, inducement, compensation, gift or otherwise, split or divide with or pass on to the purchaser the commission or any part thereof which he receives from the spinning mill.

"5. Selling agents shall not, directly or indirectly, whether through a subsidiary or an affiliate or otherwise, buy stocks of carded yarn for their own account or for that of a subsidiary or affiliate or parent organization, engage in short selling or guaranteeing prices against decline; but a selling agent may sell for his own account any yarn which he may be required to take over by reason of his guarantee of a purchaser's account or contract.

"6. No spinning mill shall, either directly or through a selling agent, guarantee prices against decline, or directly or indirectly abate prices on unfinished contracts, except to the extent that costs are affected by subsequent Governmental action.

"7. No spinning mill shall, either directly or through a selling

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(*) The above section 2, as amended, was deleted by an amendment approved April 23, 1935 and the following was substituted therefor:

> "Spinning mills shall furnish duly certified reports each week to the Stastical Bureau of the Cotton-Textile Institute, Inc., 320 Broadway, New York City, of all sales of carded cotton yarn during the week immediately prior, irrespective of the manner in which such sales are negotiated, stating same by date of order, quantity and descriptions of yarn, delivery specifications, price to be paid, and terms of sale; indicating in the case of each sale negotiated through a selling agent, the name of the selling agent who negotiated such sale. Selling agents shall file similar reports as to all sales made on behalf of spinning mills. Spinning mills and selling agents shall separately report to the Institute all export sales giving, as to each export sale, the name of the exporter. Statistical reports shall be issued weekly by the Institute to all spinners and selling agents summarizing such statistical information received."

agent, grant to any purchaser on any sale of any type of carded yarn sold as such more favorable terms of cash discount than 2% discount for payment within 30 days or 2% discount up to the 10th proximo, as may be elected by the purchaser. (*) All yarn, other than as hereinafter mentioned, shall be sold net weight. Not more than five days' grace shall be allowed in any discount period. All sales providing for settlement either in any medium other than cash or for longer periods of time than those above specified shall be absolutely net. On sales of ball warps, chain warps, warps on beams and similar put-ups such yarn shall be sold on the basis of calculated weight with 2% tolerance. The foregoing stipulations in this clause apply only to domestic sales. (**)

"8. In all sales effected by spinning mills, whether directly or through a selling agent, there shall be used a 'uniform form of contract', after such form shall have been submitted to the Administrator by the Code Authority and received his approval.

"9. No provision herein shall apply in respect to orders placed before the effective date of these provisions which remain uncompleted on that date.

"10. Administration of these provisions 'Governing the Merchandising of Carded Cotton Yarn' is entrusted to the 'Carded Yarn Sub-Committee', constituted by the Cotton Textile Industry Committee, subject to the authority and jurisdiction of the latter committee, i.e., the Code Authority for the Cotton Textile Industry."

The following was added as section eleven by an amendment approved February 21, 1934.

"11. The foregoing provisions, with the exception of Articles 1 and 2 hereof, shall not apply to export sales to, by, or for the account of a registered exporter. Each spinning mill or selling agent reporting an export sale to the Cotton-Textile Institute, as above provided, shall obtain from the exporter and keep on file documentary proof, (Similar to that required to be filed with the Collector of Internal Revenue in support of a claim for drawback on exportation), that the carded yarn which was subject of such export sale shall have been, in fact, exported to a foreign country. In the event of the failure of any registered exporter to submit, within a reasonable time, such documentary proof to the spinning mill or selling agent, reporting such export sale, the name of such exporter, after due notice and opportunity to be heard by the Carded Yarn Sub-Committee shall have

(*) The following sentence was added by an amendment approved January 22, 1935.

"In the case of sales made on the basis of 2% discount up to the 10th proximo, shipments made on or after the 25th of the month may be dated as of the first of the following month."

(**) An amendment to the code approved February 21, 1934, deleted this last sentence and added in lieu thereof number eleven, see below.

been given to such exporter, may, on recommendation of said Subcommittee, be withdrawn from the list of registered exporters, by the Industry Committee. Such withdrawal of registration shall be subject to review by the Administrator."

APPENDIX II

SUPPLEMENTARY CODE OF FAIR COMPETITION

for the

COTTON CONVERTING INDUSTRY

As Approved on January 24, 1934.

"To effectuate the policies of Title I of the National Industrial Recovery Act (herinafter referred to as the "Act"), the following provisions are established as Supplemental Code No. 1 to the Code of Fair Competition for the Cotton Textile Industry, to deal with trade practices in the sale and distribution of the products of that Industry, and shall be the standard of fair competition for such Industry in respect of such sale and distribution, and shall be binding upon every member thereof in the manner and to the extent therein provided.

I. Definitions. - (1) "Master Code" means the Code of Fair Competition for the Cotton Textile Industry, finally approved July 16, 1933, as heretofore or hereafter amended.

(2) "Branch of the Industry" means the sale and distribution at wholesale of products of the Cotton Textile Industry by any concern insofar as it does manufacturing and/ or finishing of the same for its own account or the account of others or has the same finished by others for its own account or for the account of others, or by a commission house or broker acting for same.

(3) "Member of branch of the Industry" means any business entity engaged in thisbranch of the Industry.

(4) "Finished goods" means grey goods, products of the Cotton Textile Industry, after being processed or finished in the completed fabrics as intended for use.

II. All members of this branch of the Industry shall be subject to and comply with the provisions of the Master Code in addition to the applicable provisions of this Supplemental Code.

III. There shall be constituted at this time in this branch of the Industry the following divisions of finished goods, the precise scope of these divisions being further defined in Section V hereof:

1. Clothiers' Linings (other than all-cotton).
2. Corset, Brassiere, and Allied Trades Fabrics.
3. All-Cotton Clothing Lining.
4. Curtain and Drapery Fabrics.
5. Shirting.
6. Wash goods.

7. Interlinings. 1/

Anything herein or in Section V hereof to the contrary notwithstanding the foregoing divisions shall not include the following:

Moleskins and corduroys;
Bleached wide sheetings, sheets, pillow cases, dyed ducks;
Unbleached, bleached, colored, dyed and printed flannels;
suedes and duveteens;

Outerwear material such as mineral and sulphur khakis, ducks, summer suitings, pantaloonings, raincoating, water-proof clothing fabrics, and all other converted fabrics for similar purposes;
Towelling, crashes, and plain bleached Terry Cloths;
Table damask and napkin fabrics;
Birdseye and diaper cloths.

IV. All members of this branch of the Industry insofar as their activities fall within any of the divisions enumerated in Section III hereof shall comply with the following general rules of trade practice:

1. The secret payment or allowance, directly or indirectly, or by any scheme, method, or device, of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions is prohibited.

2. The false marking or branding of any product which has the tendency to mislead or deceive customers or prospective customers in any way whatsoever is prohibited.

3. The imitation of a trade mark, trade name, slogan, or the other marks of identification of competitors, having the tendency and capacity to mislead or deceive is prohibited.

4. Upon approval of the Administrative Committee of a plan of registration, members of this branch of the Industry may register with the Textile Fabrics Association the following: Jacquard designs, twenty-harness dobby designs, prints, and such other designs or styles as may be considered as novel. Upon registration, such designs or styles shall be confined to the registrant for a six-month period and for an additional six months thereafter, if within the first six-month period the registrant can demonstrate to the satisfaction of the Administrative Committee that he has caused the manufacture in further quantity of said design, pattern, or style. At the end of the second six months' ownership period, the registrant may obtain renewals of all rights to such design, pattern, or style by semiannual re-registration. A proper registration fee will be determined by the Administrative Committee.

1/ The following divisions were added by an amendment approved December 27, 1934.
"8. Bleached Goods.
"9. Cotton Linings, for all purposes not otherwise provided."

No member of this branch of the Industry shall commit or be a party to the piracy of any design, pattern, or style originated by another member of the Industry in a form sufficiently like the original to be mistaken for it, or the sale thereof, or sell or quote on the pattern, design, or style of another member of the Industry.

V. Members of this branch of the Industry insofar as their activities fall within any of the divisions described in Section III shall comply with the particular rules applicable to such divisions as follows:

Division 1

CLOTHERS' LININGS (OTHER THAN ALL COTTON)

Definition

The products included in this Division are body and/or sleeve linings (other than all cotton) for use by manufacturers of men's and boys' clothing, and also by book tailor and trimming establishments.

Trade Practices.

1. Terms of sale shall not exceed net 60 E.O.M., except that bills on and after the 25th of the month may be dated as of the 1st of the following month. Anticipation may be allowed at a rate not to exceed 6% per annum. Sample pieces shipped on memorandum shall be billed retroactively as of date of shipment.

Where, subsequent to date of sale, a credit situation previously unknown to seller, should render impossible adherence to this Section, these provisions may be relaxed upon approval of application to Divisional Committee.

2. Deliveries. -- All goods shall be sold F.O.B. finisher or main office registered with the Textile Fabrics Association.

3. Uniform Contract. -- The provisions of a sales note recommended by the Divisional Committee and the Administrative Committee, when approved by the Code Authority and the Administrator, shall be used and adhered to on all sales for future delivery.

4. The Divisional Committee may make recommendations: (1) For the use by all members of the Division of a system of cost accounting at least as detailed and complete as a standard system of cost accounting adopted by the Divisional Committee. (2) For regulation of sale below cost when and if same may be so determined, but nothing herein contained shall limit the right to sell seconds, out-of-fashion, distress, and shopworn goods, when so billed.

Such recommendations (numbers 1 and 2, supra) when approved by the Administrative Committee, the Code Authority, and the Administrator, shall have the same force and effect as the other provisions of this Supplemental Code.

The above-mentioned recommendations must be communicated by the Divisional Committee to all members of said Division not less than ten days prior to date of submission of Divisional Committee's recommendations to the Administrative Committee or other superior agency.

5. No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.2/

6. No stock protection or price guarantee shall be given.

7. Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

Division 2

CORSET, BRASSIERE, AND ALLIED TRADES FABRICS

Definition

The products included in this Division are those sold for use in the manufacture of corsets, girdle corsets, step-in corsets, brassieres, bandeaux-brassieres, corsets, girdle corsets, or step-in corsets attached to brassieres or bandeaux-brassieres and all similar body-supporting garments, and in the manufacture and supply of accessories such as shields, stripping, binding, tabs, hook-and-eye cloth, etc., cut from converted cloths, entering into or used with such finished products.

Trade Practices.

1. Terms of sale shall not exceed 2% -- 10 days, 60 extra; or 3% --10 days, or 3% -- C.O.D. No extra dating shall be allowed. Anticipation shall be at legal rate of interest. Past due payments shall carry interest at legal rate from date of maturity.

2. Deliveries. -- All goods shall be sold F.O.B. point of origin. In the case of shipments from finished stock carried in New York City the point of origin is the bleachery, dye works, and/or finishing plant at which the goods were processed.

2/ A comma was substituted for the period at the end of this sentence by an amendment approved December 27, 1934 and the following phrase was added thereto:

> "subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board."

3. Uniform Contract. -- The provisions of a sales note recommended by the Divisional Committee and the Administrative Committee, when approved by the Code Authority and the Administrator, shall be used and adhered to on all sales for future delivery.

4. Sample Requirements. -- Each sample cut in excess of one-half yard in length furnished customers shall be charged for at regular sales price of the fabric.

5. No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.3/

6. No stock protection or price guarantee shall be given.

7. Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

8. With respect to goods made entirely from synthetic yarns or goods made from synthetic yarns mixed only with silk and produced by the seller's own manufacturing facilities, the applicable provision of the Silk Textile Code with respect to terms of sale and delivery may be substituted for the provisions of terms of sale and delivery for this Division.

Division 3

ALL-COTTON CLOTHING LININGS

Definition

The products included in this Division are all-cotton clothing linings for use by manufacturers of men's and boys' clothing, tailor trimming houses, and book tailor and trimming establishments.

Trade Practices

1. Terms of sale shall not exceed 2%, 60 days, E.O.M. 3%, 10 days, E.O.M. Goods shipped on or after the 25th of the month may be billed as of the 1st of the following month. Interest at the rate of 6% per annum shall be charged on all accounts past due. Sample pieces shipped on memorandum shall be billed retroactively as of date of shipment.

2. Deliveries. -- All goods shall be sold F.O.B. mill, with the exception of sales made from open stock at main office, shipping point, or established main depository which may be made F.O.B. such main office, shipping point, or established main depository, provided it is registered

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3/ Same as foot-note No. 2.

with the Textile Fabrics Association. 4/

3. Uniform Contract. -- The provisions of a sales note recommended by the Divisional Committee and the Administrative Committee, when approved by the Code Authority and the Administrator shall be used and adhered to on all sales for future delivery.

4. The Divisional Committee may make recommendations: (1) for the use by all members of the Division of a system of cost accounting at least as detailed and complete as a standard system of cost accounting adopted by the divisional Committee, and (2) for regulation of sales below cost when and if same may be so determined. Such recommendations when approved by the Administrative Committee, the Code Authority, and the Administrator, shall have the same force and effect as the other provisions of this Supplemental Code.

5. Price Reporting. -- Within thirty days after a majority vote of this Division, all members thereof shall file with the Textile Fabrics Association a schedule of prices and terms covering the sale of their standard numbers sold in the previous week; such schedule to specify prices on different items (classified according to quantity thereof), as may have been voted upon by the Division.

Such reports shall be prepared in summary form and submitted in this form to each member of the Division in such a manner as not to divulge the operations of any individual member. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section. All members of the Division shall be notified by telegraph if the provisions of this Section are so suspended.

6. No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section. 5/

7. No stock protection or price guarantee shall be given.

8. Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

4/ This section was deleted by an amendment approved December 27, 1934 and the following was substituted therefor:

"2. Deliveries. -- All goods shall be sold f.o.b. mill or main warehouse, provided the location of such main warehouse shall be registered with the Textile Fabrics Association, and provided further that goods may be delivered without charge to the first common carrier (transportation agency) or to customer if located within the city limits of registered main warehouse."

5/ Same as foot-note No. 2.

Division 4

CURTAIN AND DRAPERY FABRICS

Definition

The products included in this Division are converted cotton and cotton mixture curtain and drapery fabrics, including these same fabrics when sold to other cutting trades and/or wholesale, retail, chain stores, and/or mail-order distributors; but exclusive in all cases of cloth manufactured on bobbinette or lace machines.

Trade Practices

1. Terms of sale to the manufacturing, chain-store, mail-order, and retailers trade shall not exceed 2%, 10 days, 60 extra, or 3%, 10 days; no extra dating. Goods shipped on and after the 25th of the month may be billed as of the first of the following month. Terms of Sale to jobbers shall not exceed 2%, 10 days, 60 extra, or 3%, 10 days; June deliveries may be billed 2%, 10 days October 1st; December deliveries may be billed 2%, 10 days April 1st.

2. Deliveries. -- All goods sold to wholesalers, jobbers, chain stores, mail-order houses, and manufacturers shall be sold F.O.B. mill. All goods sold to retailers shall be sold F.O.B. mill or main warehouse, provided the location of such main warehouse shall be registered with the Textile Fabrics Association.

3. Sample Requirements. -- Any form of sample requirement may be supplied free only to wholesalers and not to exceed 2% of the original order. All other sample requirements shall be charged for at full cost, calculating fabric at sales price, and shall include delivery charge; provided that it is permissible to furnish one set of reference samples without charge to each district office of chain-store organizations where such district offices exist, or one set to the main office of any chain organization not having district offices. Only one swatch less than 1½ yards in length of any one style shall be given free to one customer. All swatches above 1½ yards shall be paid for at sales price of the fabric.

4. Advertising Allowances.--No advertising allowances are permitted.

5. No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.6/

6. No stock protection or price guarantee shall be given.

7. Sales offices shall not be open for the transaction of

6/ Same as foot-note No. 2.

business on Saturdays and Sundays. 7/

Division 5

SHIRTINGS

Definition

The products included in this Division are shirting fabrics for use by manufacturers of shirts, pajamas, underwear, boys' blouses, and similar wearing apparel, including these same fabrics when sold to other cutting trades and/or wholesale, retail, and/or mail-order distributors.

Trade Practices

1. Terms of Sale shall not exceed 2%, 10 days, 60 extra, or 2½%, 10 days, 30 extra, or 3% C.O.D., or 5%, 10 days, effective from date of invoice or shipment, whichever is earlier, no extra dating.

Interest shall be charged at 6% on all past due accounts, such charge starting at maturity period.

Anticipation may be allowed at a rate not to exceed 6% per annum.

2. Deliveries. -- All goods shall be sold F.O.B. point of origin.

3. Sample Requirements. -- All sample requirements including sample cuts shall be charged to customer at full cost; fabric to be figured at sales price. Reference sets not to exceed three (3) in number may be furnished free; size of swatches not to exceed 2 x 4" and not to be mounted on customer's cards; all reference sets to be plainly marked "For Reference Only."

4. Advertising Allowances. -- Fabric demonstration, or allowance therefor, or advertising allowances in any form whatsoever, are prohibited.

5. Options. - No options shall be given.

6. Sale of Goods by Construction. -- When finished goods are sold on basis of grey construction, grey width, count and weights shall be shown on confirmation of order and invoice.

7. No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of

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7/ The following new Section 8 was added by an amendment approved December 27, 1934.

"8. Options. -- No options shall be given."

this Section. 8/

8. No stock protection or price guarantee shall be given.

9. Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

10. With respect to goods made entirely from synthetic yarns or goods made from synthetic yarns mixed only with silk and produced by the seller's own manufacturing facilities, the applicable provisions of the Silk Textile Code with respect to terms of sale and delivery may be substituted for the provisions of terms of sale and delivery for this Division.

Division 6

WASH GOODS

Definition

The products included in this Division are wash goods for use by manufacturers of men's, women's, and children's apparel including these same fabrics when sold to other cutting trades and/or wholesale, retail, and/or mail order distributors.

Trade Practices.

1. Terms of Sale shall not exceed 2%, 10 days, 60 extra, or 2½%, 10 days, 30 extra, or 3% C.O.D., or 3%, 10 days, effective from date of invoice or shipment, whichever is earlier; no extra dating to be allowed. Interest shall be charged at 6% on all past due accounts, such charge starting at maturity of bill. Anticipation may be allowed at a rate not to exceed 6% per annum.

2. Deliveries. -- All goods shall be sold F.O.B. point of origin, with the exception of goods sold to retailers and chain stores which shall be sold F.O.B. plant or main warehouse registered with the Textile Fabrics Association.

3. Sample Requirements. -- All sample requirements furnished jobbers, catalog houses, chain stores and manufacturers, shall be charged at full cost, calculating fabric furnished at sales price. Reference sets not to exceed three in number to any one customer may be furnished free of charge on request.

4. Advertising Allowances. -- Fabric demonstration, or allowances therefor, or advertising allowances in any form, shall be prohibited.

5. Options. - No options shall be given.

6. No merchandise may be sold on consignment, nor may any method

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8/ Same as foot-note No. 2

of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section. 9/

7. No stock protection or price guarantee shall be given.

8. Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

9. With respect to goods made entirely from synthetic yarns or goods made from synthetic yarns mixed only with silk and produced by the seller's own manufacturing facilities, the applicable provisions of the Silk Textile Code with respect to terms of sale and delivery may be substituted for the provisions of terms of sale and delivery for this Division.

Division 7

INTERLININGS

Definition

The products included in this Division are fabrics made from tobacco cloths, print cloths, sheetings, twills, drills, osnaburgs, and ducks, but only where these finished fabrics are used for interlining purposes for garments.

Trade Practices

1. Terms of sale shall not exceed 2%, 10 days, 60 extra, or 3%, 10 days, or 3% C.O.D., effective from date of invoice or shipping memorandum, whichever is the earlier. No extra dating shall be allowed. Anticipation shall be at the legal rate of interest. Past due payments shall carry interest at the legal rate from date of maturity.

2. Deliveries. -- All goods shall be sold F.O.B. point of origin. In the case of shipments from finished stock carried in New York City, the point of origin is the bleachery, dye works, and/or finishing plant at which the goods were processed.

3. No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section. 10/

4. No stock protection or price guarantee shall be given.

9/ Same as foot-note No.2.
10/ Same as foot-note No. 2.

5. Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

VI. Administration. - For the purpose of the general administration of the divisions enumerated in Article III, there shall be constituted by the Code Authority an Administrative Committee which shall have such duties and powers as the Code Authority may delegate.

There shall be established by the Administrative Committee a Divisional Committee in each of such divisions with such duties and powers in each case as the Administrative Committee may delegate.

The Administrator shall have the right to appoint not more than three members, without vote, to the Administrative Committee and the Divisional Committees who shall serve without expense to the Industry.

If the Administrator shall determine that any action of the Administrative Committee or a Divisional Committee or any agency thereof is unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended for a period of not to exceed thirty (30) days to afford an opportunity for investigation of the merits of such action and further consideration by such Administrative Committee or Divisional Committee or agency pending a final action, which shall be taken only upon approval by the Administrator.

VII. The provisions for trade practices prescribed in Article IV and V hereof are subject to such changes, modifications, and additions as may be recommended to the Code Authority by the Administrative Committee and approved by the Administrator, but no change affecting a division shall be submitted for the approval of the Administrator without the approval of the Divisional Committee of the Division affected.

VIII. The Code Authority may from time to time establish such additional divisions dealing with other activities of this branch of the Industry as may seem desirable and, subject to the approval of the Administrator, may provide for the formulation of such trade practices applicable to such additional divisions and for their administration in such manner as may seem desirable.

IX. Members of the Industry approve of the policy of arbitrating all disputes wherever possible and the Administrative Committee is hereby designated the agency to assist in bringing about such arbitration as to any matters arising in the Divisions enumerated in Article III.

X. This Supplemental Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act, and specifically, but without limitation, to the right of the President to cancel or modify his approval of this supplemental code or any conditions imposed by him upon his approval thereof.

XI. This Supplemental Code shall become effective on the second Monday after its approval by the President of the United States.

The following divisions were added by an amendment approved December 27, 1934.

Division 8

BLEACHED GOODS

Definition

The products included in this Division are those cloths commonly known as bleached goods, consisting of Nainsooks, Long Cloths, Muslins and Cambrics, finished from print cloth or other constructions, in carded or combed yarns, and Pajama Checks, Lingerie Cloths, Handkerchief Cloths and Underwear Fabrics, in white or tint finishes, sold to cutters, wholesalers, chain stores, retailers, catalogue and/or mail order houses.

Trade Practices

1. Terms of Sale shall not exceed 2% - 10 days, 60 extra, or 2½% - 10 days, 30 extra; or 3% C.O.D., or 3% - 10 days, effective from date of invoice or shipment, whichever is earlier; no extra dating to be allowed. Interest shall be charged at the rate of 6% per annum on all past due accounts, such charge starting at maturity of bill. Anticipation may be allowed at a rate not to exceed 6% per annum.

2. Deliveries. - All goods shall be sold f.o.b. city of origin, with the exception of goods sold to retailers (not including chain stores) which shall be sold f.o.b. city of origin or main warehouse registered with the Textile Fabrics Association, and provided further that goods sold to retailers (not including chain stores) may be delivered without charge to the first common carrier (transportation agency) or to store, if such store be located within the city limits of registered main warehouse.

3. In the case of shipments from finished stock carried in New York City, the city of origin is the bleachery, dye works, and/or finishing plant at which the goods were processed.

4. Advertising Allowances. - Fabric demonstration, or allowances therefor, or advertising allowances in any form shall be prohibited.

5. Options. - No options shall be given.

6. Consignments. - No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section, subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board.

7. No stock protection or price guarantee shall be given.

8. Saturday Closing. - Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

Division 9

COTTON LININGS FOR ALL PURPOSES NOT OTHERWISE PROVIDED

Definition

The products included in this Division are cotton linings sold for use for all purposes not otherwise provided for in this Supplementary Code, including those sold for use in the manufacture of Dresses, Hats, Caps, Draperies, Furniture, Pocket-books, Neckwear, Millinery, Bias Bindings, Comfortables and Luggage, including those sanem fabrics when sold to other cutting trades and/or wholesalers, retailers, chain stores and/or mail order distributors.

Trade Practices

1. Terms of sale shall not exceed 2% - 10 days, 60 extra, or 2½%- 10 days, 30 extra, or 3% - 10 days or 3% - C.O.D., effective from date of invoice or shipment, whichever is earlier; no extra dating shall be allowed. Anticipation shall be charged at legal rate of interest. Past due payments shall carry interest at legal rate from date of maturity.

2. Deliveries. - All goods shall be sold f.o.b. city of origin, with the exception of goods sold to retailers (not including chain stores) which shall be sold f.o.b. city of origin or amin warehouse registered with the Textile Fabrics Association, and provided further that goods sold to retailers (not including chain stores) may be delivered without charge to the first common carrier (transportation agency) or to store, if such store be located within the city limits of registered main warehouse.

3. In the case of shipments from finished stock carried in New York City, the city of origin is the bleachery, dye works, and/or finishing plant at which the goods were processed.

4. Sample Requirements. - All sample requirements furnished jobbers, catalog houses, chain stores and manufacturers, shall be charged at full cost, calculating fabric furnished at sales price. Reference sets not to exceed three in number to any one customer may be furnished free of charge on request.

5. Advertising Allowances. - Fabric demonstration or allowances therefor or advertising allowances in any form whatsoever are prohibited.

6. Options. - No options shall be given.

7. Uniform Sales Contract. - A form of sales note recommended by the Divisional Committee and the Administrative Committee and approved

by the Code Authority and the National Industrial Recovery Board shall be used and adhered to on all sales for future delivery.

8. Contracts for future delivery shall not be taken for a period exceeding five (5) months from date of original order. In cases where enforcement of this provision in the opinion of any member will work a hardship on any customer, a further extension of thirty (30) days may be granted on application, and after approval by the Divisional Committee.

9. No stock protection or price guarantee shall be given.

10. No merchandise may be sold on consignment, nor may any method of selling be used which has the effect of selling on consignment or memorandum. Sample pieces to manufacturers for inspection are exempt from the application of this rule. The Divisional Committee shall have the power to suspend the operation of the provisions of this Section, subject to the approval of the Administrative Committee, the Code Authority and the National Industrial Recovery Board.

11. Sales offices shall not be open for the transaction of business on Saturdays and Sundays.

APPENDIX III

Fair Trade Practices Governing the Merchandising of the Products of the Cotton Thread Manufacturing Branch.

As Approved on July 17, 1934.

1. National Industrial Recovery Act. -- Each member of the Industry who is entitled to display the Blue Eagle of the National Recovery Administration shall affix to all invoices, in accordance with regulations of the Code Authority, 1/ a stamp stating that the mill where the goods were made is operating under the Cotton Textile Code, which regulations and stamp shall be subject to the approval of the Administrator.

2. Definitions. -- The following definitions shall apply to this Code of Fair Trade Practices hereinafter set forth.

(a) The term "industry" means the cotton thread manufacturing branch of the Cotton Textile Industry, which is defined as the manufacture of sewing, crocheting, embroidery, and/or darning cotton thread.

(b) Whenever the term "thread" or "threads" is used, it shall refer to cotton thread, which is defined to include all products composed of one or more Cotton yarns, single or braided or twisted together, and sold for use in any sewing, crocheting, embroidery, or darning operations, in the natural, white or colored state, with the exception of:

(1) Cotton articles usually defined in the trade as "twine", "sewing twine", "bag twine", "bag closing twine", "broom twine", and "tufting twine", which are made of carded yarns of a yarn count of 20s or coarser.

(2) Cotton looping and seaming yarns used in the hosiery trade. For the purposes of this Code of Fair Trade Practices certain cotton yarns, commonly and variously known as "schiffli", "schiffli yarn" and "embroidery yarns", as made and sold for use only on Schiffli and Swiss hand embroidery machines shall be considered as coming within the foregoing definition of thread.

(c) The term "manufacturers' threads" refers to those threads generally used in the manufacturing or industrial trades, and the term "household threads" refers to those threads generally used in the home or for domestic purposes.

1/ Administrative Order 1-98 of November 30, 1934 approved regulations relating to the stamping of invoices as submitted by the Code Authority.

(d) The term "Sub-Committee on Thread" shall mean the Sub-Committee on Thread of the Code Authority of the Cotton Textile Industry.

(e) Unless otherwise specified, all provisions of this Code of Fair Trade Practices shall apply both to manufacturers' or industrial threads and household or domestic threads.

3. Publishing Prices and Terms of Sale. -- (a) Each member of the industry shall furnish to and file with the Thread Institute copies of price lists showing all current prices and quantity discounts to all classes of trade on branded goods. This information shall be kept up to date in the future by furnishing The Thread Institute with all changes in prices and quantity discounts on branded goods on the same day on which they go into effect. All such information filed with the Thread Institute shall be available to all members of the Industry.

(b) Each member of the Industry shall have the right individually to file new prices from time to time not inconsistent with the provisions of the Cotton Textile Code as amended or this Code of Fair Trade Practices.

(c) Members of the Industry shall report to the Cotton-Textile Institute every four weeks, the total of all sales of nonbranded goods made by them during said four weeks' period. The units in which such sales shall be reported, the detail of said reports, and the disposition of same, shall be as designated from time to time by the Sub-Committee on Thread.

(d) The Sub-Committee on Thread shall have power to establish rules and regulations for the ordering administration of the provisions of this Section 3. Such rules and regulations shall be subject to review by the Cotton Textile Industry Committee.

4. Selling Below Cost. -- (a) The selling of goods by any member of the Industry below cost of production is an unfair trade practice except where the sale is made to meet bona fide competition.

(b) The provisions of paragraph 4 (a) shall not become effective until the definition of cost of production and a method of uniform cost accounting have been approved by the Administrator, and such further period thereafter, not less than three months, as may be fixed by the Sub-Committee on Thread with the approval of the Cotton Textile Industry Committee and of the Administrator.

(c) Nothing herein contained shall prevent the sale of damaged goods, job lots, and discontinued lines below cost of production, provided, such merchandise is clearly invoiced as such, and that a complete record thereof is kept by the seller, open to inspection by The Thread Institute or its authorized agents.

(d) The Thread Institute, through a disinterested agency appointed by its Board of Directors, is designated as an agency to gather all necessary information as to a method of uniform cost accounting. Such

agency shall report the results of such investigation to the said Board in statistical form, and said Board is designated as an agency to determine the appropriate method for uniform cost accounting, and to recommend such method and a definition of cost of production through the Sub-Committee on Thread for the action of the Cotton Textile Industry Committee and recommendation to the Administrator. Such recommendation, after such notice and hearing as the Administrator may specify, shall become effective subject to the provisions of paragraph 4 (b) on approval by the Administrator or the President.

5. Credit Terms. -- (a) Except either as otherwise provided in paragraph (b) of this section, or under emergency conditions found to exist in any particular case, no more favorable credit terms shall be extended by any member of the Industry, in connection with any sale or transactions completed within the continental limits of the United States than the following:

Net 60 days.

2% 10 days E. O. M. (End of Month).

(b) The provisions of paragraph 5 (a) shall not apply to sales of thread for use on Schiffli and Swiss hand embroidery machines, on which sales no more favorable terms shall be extended than --

Net 60 days.

2% 30 days.

3% 10 days

(c) No extra dating shall be allowed, except that goods shipped from the 25th to the end of the month may be regarded for discount purposes as having been shipped as of the 1st of the following month, and except also that an additional dating of thirty days on the invoice may be allowed for discount purposes on shipments from points east of the Mississippi River to points west of the longitude of Denver, Colorado.

(d) No shipment shall be made on consignment to any person, firm or corporation other than to a bona fide sales agent.

6. Secret Rebates. -- (a) The payment or allowance of secret rebates, refunds, or unearned discounts, whether in the form of money or otherwise, resulting in discriminations between customers of the same class, is an unfair trade practice.

(b) Nothing in this paragraph shall preclude the payment of a reasonable commission to any jobber for bona fide services in distribution of goods.

7. Mutuality of Contracts. -- (a) All contracts not for immediate delivery made by members of the Industry for the sale of their products

shall be in writing for definite quantities, and duly executed by the respective parties thereto. Forms for such contracts shall be filed with The Thread Institute as soon as effective and shall be available to all members.

(b) All contracts for manufacturers' threads shall stipulate that the delivery specifications calling for the shipments against the contracts shall be distributed fairly and equitably throughout the term of said contract.

(c) All contracts should be performed according to their terms by all the parties thereto, in the absence of a legal or equitable excuse for nonperformance. The willful failure of a member of the Industry to enforce the same is an unfair trade practice. Nothing herein contained shall prevent the use of usual clauses in contracts as to the effect of force majeure, acts of God, and similar events beyond the control of either party.

(d) Predating an order or contract with the intent or effect of giving either buyer or seller any advantage or benefit which would not accrue if such order or contract were correctly dated, is an unfair trade practice.

(e) "Make and hold" orders for manufacturers' threads shall only be accepted as contracts. Under such contracts the terms must provide that the buyer must accept delivery of the full quantity specified within the contract period.

(f) Wilfully inducing or attempting to induce the breach of any contract between a competitor and his customer or wilfully interfering with or obstructing the performance of the same is an unfair trade practice.

(g) Contracts for manufacturers' threads not for immediate delivery shall be for periods not to exceed three months.

8. Samples. --Whereas, the giving of free samples to customers for the purpose of obtaining business is not in itself a trade abuse, it is an unfair trade practice if samples are given as an integral part of a sale or as a means of making a specific sale. 2/

2/ The above section was deleted by amendment approved March 2, 1935 and the following was substituted therefor:

> "8. Samples -- Whereas, the giving of free trial samples of cotton thread to customers or prospective customers of members of the Industry for the purpose of obtaining business is not in itself a trade abuse, it is an unfair trade practice if any quantity of cotton thread other than trial samples is given by a member of the Industry as an integral part of a sale or as a means of making any specific sale. Any of the aforesaid free trial samples shall be marked as required by the provisions of Section 12 hereof."

9. Advertising Allowance. - No advertising shall be offered or given to induce or consummate a sale. This paragraph shall not be construed so as to prevent proper expenditures or allowances for advertising or displays actually made or furnished.

10. Group Buying. - No member of the Industry shall accept orders or contracts from any person, firm, corporation, or association who has combined to pool orders or purchases of sewing threads for the purpose of obtaining the benefit of any discount or other concession allowed on the quantity purchased or agreed to be purchased unless the person, firm, corporation, or association in whose name the sale or contract shall be made actually establishes a sound financial basis for any credit involved and assumes sole financial responsibility. The failure of any member of the Industry to conform to the requirements of this paragraph shall be an unfair trade practice.

11. False and Misleading Advertising. - The making or causing or permitting to be made or published any false or deceptive statement by way of advertisement (whether printed, radio, display, or of any other nature) or otherwise concerning the grade, quality, quantity, substance, character, nature, orgin, size, or preparation of any product of the Industry which is misleading or inaccurate in any material particular or which may mislead or deceive purchasers or prospective purchasers, or which may injuriously affect the business of competitors, is an unfair trade practice.

12. Marking Thread. - (a) No member of the Industry, shall sell or offer for sale any thread, put up on spools, tubes, cones, bobbins, or in balls, skeins, or other similar packages, unless there is affixed to or impressed upon a conspicous part of each such spool, tube, cone, bobbin, ball, skein, or other similar package of such thread a label or stamp shich shall be plain and conspicous, and which shall plainly indicate either its net weight in avoirdupois pounds and ounces or its length in yards; Provided, that when any such spool, tube, cone, bobbin, ball, skein, or other similar package of such thread containing a net weight of less than two avoirdupois ounces is sold or offered for sale, then such label or stamp shall indicate its length in yards; provided further, That where from the shape, size or character of the spool, tube, cone, bobbin, ball, skein, or other similar package it is impossible so to affix or impress such label or stamp, a label or stamp shall be affixed to the box or other contained in which such packages are put up, stating the number of units contained therein and the net weight of yardage of each, as hereinbefore prescribed.

(b) It shall be an unfair trade practice if any member of the industry shall sell or offer for sale such thread on any spool, tube, cone, bobbin, or in any such ball, skein or other similar package or box, without a label or stamp specifying the net weight or number of yards of thread contained thereon, as provided in the first paragraph of this section, or if any such member of the industry shall sell or offer for sale such thread on any such spool, tube, cone, bobbin, or in any such ball, skein, or other similar package or box, weighing or measuring more than five per cent leass or more than the net weight or number of yards that the label or stamp thereon specifies.

Each member of the industry shall file with The Thread Institute a list of all brands and trade marks used on cotton threads produced by or for him for his own distribution and sale, and also shall keep The Thread Institute informed of all changes and additions.

It shall be an unfair trade practice if any member of the industry shall sell or offer for sale any thread which, in addition to being labeled or stamped with a statement of contents as provided in the first paragraph of this section, does not bear a firm name, brand, or trade mark by which it may be clearly identified by The Thread Institute.

The provisions of the foregoing paragraphs of this section shall not apply to thread sold for use on Schiffli and Swiss hand embroidery machines.

13. Misbranding and Mislabeling - The false marking or false branding of products with the effect of misleading or deceiving purchasers with respects to the quantity, quality, grade, or substance of the products purchased is an unfair trade practice.

14. False Invoicing. - Withholding from or inserting in the invoice statements which make the invoice a false record wholly or in part, of the transaction represented on the face thereof, is an unfair trade practice.

15. Commercial Bribery. - No member of the Industry shall give, permit to be given, or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employers of such employee, the principal of such agent or the represented party. This provision shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

16. Substitution of Merchandise. - (a) Shipping or delivering products which do not conform to the samples submitted, or representations made prior to securing an order and with the effect of deceiving or misleading the purchaser, is an unfair trade practice.

(b) The sale of an inferior quality of product in this industry at a price appropriate for such product, with the understanding that a product of superior quality selling at a higher price will be delivered, is an unfair trade practice. A seller acting in good faith and because of an actual unforeseen shortage of the product sold, may, in order to service the customer, deliver a product of quality superior to the product sold.

17. Imitation of Trade Marks, etc. - The imitation or simulation by a member of the Industry, of another's trade marks, trade names, slogans, and other marks of identification, including labels and the dress of the goods, so as to deceive purchasers or prospective purchasers, or result in commercial disadvantage to the owner of an already established put-up is an unfair trade practice.

18. False Disparagement of Competitors. - The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or other false representations, or the false disparagement of the grade or quality of their goods, is an unfair trade practice.

19. Use of Competitor's Merchandise. - No member of the industry shall by purchase or exchange acquire another manufacturer's merchandise from any customer or prospective customer for the purpose of substituting his own merchandise or influencing the sale of merchandise to such customer or prospective customer, Provided however, it shall not be an unfair trade practice to acquire a sample of a competitor's merchandise for the purpose of comparison or analysis.

20. Aiding or Abetting Another in the Use of Unfair Trade Practice. - The wilful aiding or abetting of another in the use of unfair trade practices is an unfair trade practice.

21. Modification. - (a) The Board of Directors of 3/ the Sub-Committee on Thread shall give consideration to any proposed change or changes in this Code of Fair Trade Practices which may be proposed to it 4/ either by any member or members of the Thread Institute having collectively not less than twenty-five votes therein, provided, however, that where such proposed change or changes would affect manufacturers supplying thread for use on Schiffli and Swiss hand embroidery machines, such change or changes may be proposed by any member or members of The Thread Institute whose principal business is supplying such thread, having collectively not less than five votes therein.

(b) The provisions of this Code of Fair Trade Practices shall govern all members of the Industry. Any provision of this Code of Fair Trade Practices may be revoked or modified by the Board of Directors of the Sub-Committee on Thread, subject to the approval of the Cotton Textile Industry Committee and the Administrator. This Code of Fair Trade Practices is subject to the right of the President, in accordance with subsection (b) of Section 10 of the National Industrial Recovery Act from time to time to cancel or modify any order, approval, rule or regulation issued under said act.

3/ "of" was changed to "or" by an amendment approved September 11, 1934.

4/ "it"-evidently a typographical error - was removed by an amendment September 11, 1934.

22. Nothing in this Code of Fair Trade Practices shall be deemed to constitute any of the members of the Industry partners for any purpose. No member shall be liable in any manner to anyone for any act of any member or agent of the Code Authority lawfully and properly performed pursuant to the provisions of this Code of Fair Trade Practices, nor shall member or agent be liable to anyone or in any manner other than as provided in the National Industrial Recovery Act or in the Cotton Textile Code or this Code of Fair Trade Practices for any act performed in accordance with, or for any failure to act required by, the provisions of said Code and Code of Fair Trade Practices.

OFFICE OF THE NATIONAL RECOVERY ADMINISTRATION
THE DIVISION OF REVIEW

THE WORK OF THE DIVISION OF REVIEW

Executive Order No. 7075, dated June 15, 1935, established the Division of Review of the National Recovery Administration. The pertinent part of the Executive Order reads thus:

> The Division of Review shall assemble, analyze, and report upon the statistical information and records of experience of the operations of the various trades and industries heretofore subject to codes of fair competition, shall study the effects of such codes upon trade, industrial and labor conditions in general, and other related matters, shall make available for the protection and promotion of the public interest an adequate review of the effects of the Administration of Title I of the National Industrial Recovery Act, and the principles and policies put into effect thereunder, and shall otherwise aid the President in carrying out his functions under the said Title.

The study sections set up in the Division of Review covered these areas: industry studies, foreign trade studies, labor studies, trade practice studies, statistical studies, legal studies, administration studies, miscellaneous studies, and the writing of code histories. The materials which were produced by these sections are indicated below.

Except for the Code Histories, all items mentioned below are scheduled to be in mimeographed form by April 1, 1936.

THE CODE HISTORIES

The Code Histories are documented accounts of the formation and administration of the codes. They contain the definition of the industry and the principal products thereof; the classes of members in the industry; the history of code formation including an account of the sponsoring organizations, the conferences, negotiations and hearings which were held, and the activities in connection with obtaining approval of the code; the history of the administration of the code, covering the organization and operation of the code authority, the difficulties encountered in administration, the extent of compliance or non-compliance, and the general success or lack of success of the code; and an analysis of the operation of code provisions dealing with wages, hours, trade practices, and other provisions. These and other matters are canvassed not only in terms of the materials to be found in the files, but also in terms of the experiences of the deputies and others concerned with code formation and administration.

The Code Histories, (including histories of certain NRA units or agencies) are not mimeographed. They are to be turned over to the Department of Commerce in typewritten form. All told, approximately eight hundred and fifty (850) histories will be completed. This number includes all of the approved codes and some of the unapproved codes. (In Work Materials No. 18, Contents of Code Histories, will be found the outline which governed the preparation of Code Histories.)

(In the case of all approved codes and also in the case of some codes not carried to final approval, there are in NRA files further materials on industries. Particularly worthy of mention are the Volumes I, II and III which constitute the material officially submitted to the President in support of the recommendation for approval of each code. These volumes

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set forth the origination of the code, the sponsoring group, the evidence advanced to support the proposal, the report of the Division of Research and Planning on the industry, the recommendations of the various Advisory Boards, certain types of official correspondence, the transcript of the formal hearing, and other pertinent matter. There is also much official information relating to amendments, interpretations, exemptions, and other rulings. The materials mentioned in this paragraph were of course not a part of the work of the Division of Review.)

THE WORK MATERIALS SERIES

In the work of the Division of Review a considerable number of studies and compilations of data (other than those noted below in the Evidence Studies Series and the Statistical Materials Series) have been made. These are listed below, grouped according to the character of the material. (In Work Materials No. 17, Tentative Outlines and Summaries of Studies in Process, these materials are fully described).

Industry Studies

Automobile Industry, An Economic Survey of
Bituminous Coal Industry under Free Competition and Code Regulation, Economic Survey of
Construction Industry and NRA Construction Codes, the
Electrical Manufacturing Industry, The
Fertilizer Industry, The
Fishery Industry and the Fishery Codes
Fishermen and Fishing Craft, Earnings of
Foreign Trade under the National Industrial Recovery Act
  Part A - Competitive Position of the United States in International Trade 1927-29 through 1934.
  Part B - Section 3 (e) of NIRA and its administration.
  Part C - Imports and Importing under NRA Codes.
  Part D - Exports and Exporting under NRA Codes.
Forest Products Industries, Foreign Trade Study of the
Iron and Steel Industry, The
Knitting Industries, The
Leather and Shoe Industries, The
Lumber and Timber Products Industry, Economic Problems of the
Men's Clothing Industry, The
Millinery Industry, The
Motion Picture Industry, The
Migration of Industry, The: The Shift of Twenty-Five Needle Trades From New York State, 1926 to 1934
National Income, A study of,
Paper Industry, The
Production, Prices, Employment and Payrolls in Industry, Agriculture and Railway Transportation, January 1923, to date
Retail Trades Study, The
Rubber Industry Study, The
Statistical Background of NRA
Textile Industry in the United Kingdom, France, Germany, Italy, and Japan
Textile Yarns and Fabrics
Tobacco Industry, The
Wholesale Trades Study, The

Women's Apparel Industry, Some Aspects of the

Trade Practice Studies

Commodities, Information Concerning: A Study of NRA and Related Experiences in Control
Distribution, Manufacturers' Control of: A Study of Trade Practice Provisions in Selected NRA Codes
Design Piracy: The Problem and Its Treatment Under NRA Codes
Electrical Mfg. Industry: Price Filing Study
Fertilizer Industry: Price Filing Study
Geographical Price Relations Under Codes of Fair Competition, Control of
Minimum Price Regulation Under Codes of Fair Competition
Multiple Basing Point System in the Lime Industry: Operation of the
Price Control in the Coffee Industry
Price Filing Under NRA Codes
Production Control Under NRA Codes, Some Aspects of,
Resale Price Maintenance Legislation in the United States
Retail Price Cutting, Restriction of, with special Emphasis on The Drug Industry.
Trade Practice Rules of The Federal Trade Commission (1914-1936): A classification for comparison with Trade Practice Provisions of NRA Codes.

Labor Studies

Employment, Payrolls, Hours, and Wages in 115 Selected Code Industries 1933-1935
Hours and Wages in American Industry
Labor Program Under the National Industrial Recovery Act, The
  Part A. Introduction
  Part B. Control of Hours and Reemployment
  Part C. Control of Wages
  Part D. Control of Other Conditions of Employment
  Part E. Section 7(a) of the Recovery Act
PRA Census of Employment, June, October,1933
Puerto Rico Needlework, Homeworkers Survey

Administrative Studies

Administrative and Legal Aspects of Stays, Exemptions and Exceptions, Code Amendments, Conditional Orders of Approval
Administrative Interpretations of NRA Codes
Administrative Law and Procedure under the NIRA
Agreements Under Sections 4(a) and 7(b) of the NIRA
Approved Codes in Industry Groups, Classification of
Basic Code, the -- (Administrative Order X-61)
Code Authorities and Their Part in the Administration of the NIRA
  Part A. Introduction
  Part B. Nature, Composition and Organization of Code Authorities
  Part C. Activities of the Code Authorities
  Part D. Code Authority Finances
  Part C. Summary and Evaluation
9675.

Code Compliance Activities of the NRA
Code Making Program of the NRA in the Territories, The
Code Provisions and Related Subjects, Policy Statements Concerning
Content of NIRA Administrative Legislation
  Part A. Executive and Administrative Orders
  Part B. Labor Provisions in the Codes
  Part C. Trade Practice Provisions in the Codes
  Part D. Administrative Provisions in the Codes
  Part E. Agreements under Sections 4(a) and 7(b)
  Part F. A Type Case: The Cotton Textile Code
Labels Under NRA, A Study of
Model Code and Model Provisions for Codes, Development of
National Recovery Administration, The: A Review and Evaluation of its Organization and Activities
NRA Insignia
President's Reemployment Agreement, The
President's Reemployment Agreement, Substitutions in Connection with the
Prison Labor Problem under NRA and the Prison Compact, The
Problems of Administration in the Overlapping of Code Definitions of Industries and Trades, Multiple Code Coverage, Classifying Individual Members of Industries and Trades
Relationship of NRA to Government Contracts and Contracts Involving the Use of Government Funds
Relationship of NRA with other Federal Agencies
Relationship of NRA with States and Muncipalities
Sheltered Workshops Under NRA
Uncodified Industries: A Study of Factors Limiting the Code Making Program

Legal Studies

Anti-Trust Laws and Unfair Competition
Collective Bargaining Agreements, the Right of Individual Employees to Enforce Provisions of
ommerce Clause, Possible Federal Regulation of the Employer-Employee Relationship Under the
Delegation of Power, Certain Phases of the Principle of, with Reference to Federal Industrial Regulatory Legislation
Enforcement, Extra-Judicial Methods of
Federal Regulation through the Joint Employment of the Power of Taxation and the Spending Power
Government Contract Provisions as a Means of Establishing Proper Econ mic Standards, Legal Memorandum on Possibility of
Intrastate Activities Which so Affect Interstate Commerce as to Bring them Under the Commerce Clause, Cases on
Legislative Possibilities of the State Constitutions
Post Office and Post Road Power -- Can it be Used as a Means of Federal Industrial Regulation?
State Recovery Legislation in Aid of Federal Recovery Legislation History and Analysis
Tariff Rates to Secure Proper Standards of Wages and Hours, the Possibility of Variation in
Trade Practices and the Anti-Trust Laws
Treaty Making Power of the United States
War Power, Can it be Used as a Means of Federal Regulation of Child Labor?
9675.

THE EVIDENCE STUDIES SERIES

The Evidence Studies were originally undertaken to gather material for pending court cases. After the Schechter decision the project was continued in order to assemble data for use in connection with the studies of the Division of Review. The data are particularly concerned with the nature, size and operations of the industry; and with the relation of the industry to interstate commerce. The industries covered by the Evidence Studies account for more than one-half of the total number of workers under codes. The list of these studies follows:

Automobile Manufacturing Industry
Automotive Parts and Equipment Industry
Baking Industry
Boot and Shoe Manufacturing Industry
Bottled Soft Drink Industry
Builders' Supplies Industry
Canning Industry
Chemical Manufacturing Industry
Cigar Manufacturing Industry
Coat and Suit Industry
Construction Industry
Cotton Garment Industry
Dress Manufacturing Industry
Electrical Contracting Industry
Electrical Manufacturing Industry
Fabricated Metal Products Mfg. Industry and Metal Finishing and Metal Coating Industry
Fishery Industry
Furniture Manufacturing Industry
General Contractors Industry
General Contractors Industry
Graphic Arts Industry
Graphic Arts Industry
Gray Iron Foundry Industry
Hosiery Industry
Infant's and Children's Wear Industry
Iron and Steel Industry
Leather Industry
Lumber and Timber Products Industry
Mason Contractors Industry
Men's Clothing Industry
Motion Picture Industry
Motor Vehicle Retailing Trade
Needlework Industry of Puerto Rico
Painting and Paperhanging Industry
Photo Engraving Industry
Plumbing Contracting Industry
Retail Lumber Industry
Retail Trade Industry
Retail Tire and Battery Trade Industry
Rubber Manufacturing Industry
Rubber Tire Manufacturing Industry
Shipbuilding Industry
Silk Textile Industry
Structural Clay Products Industry
Throwing Industry
Trucking Industry
Waste Materials Industry
Wholesale and Retail Food Industry
Waste Materials Industry
Wholesale and Retail Food Industry
Wholesale Fresh Fruit and Vegetable Industry
Wool Textile Industry

THE STATISTICAL MATERIALS SERIES

This series is supplementary to the Evidence Studies Series. The reports include data on establishments, firms, employment, payrolls, wages, hours, production capacities, shipments, sales, consumption, stocks, prices, material costs, failures, exports and imports. They also include notes on the principal qualifications that should be observed in using the data, the technical methods employed, and the applicability of the material to the study of the industries concerned. The following numbers appear in the series:
9675.

Asphalt Shingle and Roofing Industry
Business Furniture
Candy Manufacturing Industry
Carpet and Rug Industry
Cement Industry
Cleaning and Dyeing Trade
Coffee Industry
Copper and Brass Mill Products Industry
Cotton Textile Industry
Electrical Manufacturing Industry
Fertilizer Industry
Funeral Supply Industry
Glass Container Industry
Ice Manufacturing Industry
Knitted Outerwear Industry
Paint, Varnish, and Lacquer, Mfg. Industry
Plumbing Fixtures Industry
Rayon and Synthetic Yarn Producing Industry
Salt Producing Industry

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